THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

VOL. XIX. | Single Copies, 10 Cents | PUBLICATION OFFICE: TORONTO, MAY 22, 1925 | Annual Subscription, $5.00 | No. 21

TRADE MUST CUT EQUIPMENT DOWN TO LOWER DEMAND

Pessimism Caused by Comparing Present With Period of Inflation

NEW NORMAL SET UP

Business Turnover of First Four Months of Year Marks High Point in New Period

A more decided improvement in business conditions throughout Canada has been impeded by a general hesitancy in buying, based in no small degree on a pessimistic attitude nurtured by a widespread tendency to think in terms of depression. An analysis of the volume of trade during the first four months of the current year confirms the view already expressed in these columns that this attitude of pessimism has its foundation in comparing the present business turnover with that of inflated or abnormal periods, such as the war and the post-war boom periods. The current price trend and the movements of the past three years, along with other reliable indexes, indicate that a new normal period has been established and that any up or down movement should be compared with the trend of the past two years rather than any previous period.

What has been said applies to business in general, but is remarkably apparent in certain sections of the country. The Maritime situation illustrates the point. It will be recalled that during the war a great part of the country contiguous to Halifax enjoyed abnormal activity. Halifax was one of the busiest ports in the world. More than one hundred vessels awaited convoy there at once, representing a huge additional buying power in the district. Then again, the explosion was followed by the spending of more than $25,000,000 on new building and construction in the district. Following this the Imperial Oil Company established a community in the district and $7,000,000 more was spent. All these factors led to a highly inflated condition in the district, and a false prosperity was established. The city of Halifax was said to have 80,000 people while the present population is about 50,000. The tendency is not entirely unnatural to compare present conditions, consciously or otherwise, with those of the inflated period, and to overlook the fact that business machinery has been keyed up to look after the needs of thousands more than the actual population. Too many stores and too many buildings for the needs of a community create a slackness in general business which can be corrected only by a scaling down of business equipment to actual needs—to the requirements of the new conditions which have become normal.

Central Provinces Deflating

The situation in Central Canada is fundamentally similar, the only difference being that the adjustment to new conditions is nearer completion. Even in 1920 many sections were of the opinion that the expanded war time industries would be needed to take care of the large-scale industrial activity which then seemed under way. Plant and equipment, however, were adjusted to a demand much in excess of any normal requirements. For three years the country refused to recognize the new conditions, and continued to compare business with that of the abnormal previous period. Even now, with mining operations being called on on a large scale in the North, business is still complained of as being unsatisfactory. Comparison is unconsciously made with the time when small fortunes could be accumulated in a comparatively short time. Fortunately the paring down process has been undertaken in the industrial section of Canada, and when business equipment is adjusted to meet demand, trade will be materially better. Even at present, statistics for the first four months of the year are considerably in advance of those of either of the past two years in basic activities such as railway freight carried, motor cars sold, mining output and building.

In Western Canada the same situation took place which is only now righting itself. The orgy of land buying during the high price period which led to defaults on the part of thousands of farmers is now an old story. "Hard times" was the universal slogan for a long period after the deflation took place, but debt liquidation has been on a larger scale during the past four months than for some years previous. The West appears to have realized more than any other part of the country that a new normal period has started.

Taking the country as a whole, two conclusions seem warranted. Business has been retarded by a clinging to the hope of a return of abnormal conditions, and abnormal profits, and retaining the commercial and industrial equipment at an abnormal level. The second is that a new normal period started three years ago, and the business of the first four months of the current year represents a high mark in this new period.

Automobile is Affecting Duluth-Superior Profits

While it is altogether likely that the meeting of the directors of the Duluth-Superior Traction Co., to be held early next month, will formally decide to resume dividends on the common stock, presumably at the rate of 4 per cent. per annum, as has been forecast by President Robertson, the fact remains that the showing of late has not been so good as during recent months and there may be some question of the advisability of renewing the distribution at this time.

In the gross income the showing has not been so favorable. The increase of about 10 per cent. over last year has been narrowing, and while the net profits have been relatively satisfactory there can be no doubt but that the gasoline traffic is having a considerable effect upon the company's earning power.

DOMINION BANK NOW HAS CHAIRMAN OF THE EXECUTIVE

What This New Office in Canadian Banks Signifies

Following the example of the Canadian Bank of Commerce, a second Canadian bank, the Dominion, has, in filling a vacant presidency, appointed a chairman of the board to round out the executive body. The election of A. W. Austin as president of the Dominion Bank was a logical development, not only because of his wide experience in the business and financial world, but because he has for some time, in his capacity of vice-president, been assuming the duties of the chief executive during the illness of both the late Sir Edmund Osler and Sir Augustus Nanton. But the large and numerous responsibilities of the position of chief executive of a big banking institution and the fact that Mr. Austin, approaching his three-score-and-ten, has had fifty years "in the saddle" of business, were evidently recognized in the appointment of C. S. Blackwell as chairman of the board. C. A. Bogert, for nearly twenty years the general manager of the bank, becomes a director and vice-president.

The appointment of a chairman of the board of junior years to the president, which is a change from the usual arrangement in filling these offices, has aroused considerable interest in business and investment circles as to the object of these appointments and the division of duties. On this point it may be said that the circumstances would be the deciding factor. But, generally, the president assumes the chief executive direction of the institution and the chairman of the board gives the benefit of his experience in regard to matters of policy. Thus, usually, the chairman is the older man, frequently he is the past president, who is in a position to give his successor the benefit of his advice. In the case of the Dominion bank, Mr. Austin, although the elder, assumes the presidency with extended experience of the bank's affairs, while Mr. Blackwell will be able to actively study business conditions in the wider field. He was engaged for many years in the packing business, until the

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SHAWINIGAN BACKS PORTNEUF POWER CO.

Bondholders Get Common Stock in Reorganized Power Company in Quebec

From Our Own Correspondent.

MONTREAL.—The development of La Compagnie Hydraulique de Portneuf was disturbed to such an extent by the unprecedented floods which prevailed in that portion of the Province of Quebec last year that the bondholders were forced to take over the property.

A complete reorganization plan was recently worked out, whereby a new company, the Portneuf Water and Power Company will proceed with the project. The bondholders of the old concern have made an exceptionally advantageous deal in arranging with the Shawinigan Water and Power Company to complete the project. The bondholders of the old concern will receive $125 in common stock in the new company for every $100 bond held. The Shawinigan Water and Power Company will own 51 per cent. of the stock in the new company and will also buy the bonds of the new concern to the extent of some $250,000 which will furnish sufficient moneys with which to complete the development. In addition Shawinigan will enter into a contract with the Portneuf Water and Power Company to purchase a large block of power.

The investor's interest in the old company is through the $300,000 first mortgage, 6½ per cent. bonds due serially. These are the bonds which will be exchanged for stock in the Portneuf Water and Power Company.

The future for the original bondholders looks considerably brighter through the consummation of this deal, more especially when it is remembered the strong power interests with which the new company is now linked up.

CAN. PERMANENT AND CAN. LANDED ABOUT TO UNITE

Basis of Union Share for Share—Brings Two Strong Companies Together

An arrangement has been suggested, and, it is understood, has the approval of the interested directors and many large shareholders, whereby the Canada Permanent Mortgage Corporation, and the Canada Landed and National Investment Company, Limited, will become one, to continue under the name of the Canada Permanent Mortgage Corporation. The ratification of the interested shareholders will, of course, need to be secured. A meeting to put the proposed merger into more definite shape, it is understood, will be held next week.

Because of the desire of Edward Saunders, managing director of the Canada Landed, to retire after his many years' able service, there has been need of some action by the directors of that company. In consequence, offers for the company have recently been made by the Canada Permanent and by the Toronto Mortgage Company. In each case, it is understood, an exchange basis of share for share was the main consideration. The Canada Permanent shares pay 12 per cent dividend. The Toronto Mortgage pay 10 per cent with a bonus of 1 per cent. On this basis the directors of the Canada Landed are believed to favor the offer of the Canada Permanent.

All kinds of rumors have been in circulation to explain the steady buying of Canada Landed & National Investment shares which have carried the price from 80 to 95-96 for each $50 par share. The arrangement outlined above, whereby the Canada Permanent is said to be arranging to give one of their $100 par shares for two Canada Landed $50 par shares, of course, explains the advance. This week Canada Permanent shares sold at $200.

The Canada Landed Company is in an exceedingly sound position. As one broker said, referring to the strength of the company: "You can not go by the statement at all." In other words, while the earnings of Canada Landed have recently been only sufficient to make possible the payment of the 10 per cent. regular dividend—the bonus of one per cent. paid for the last few years having been passed this year—yet the earnings have been arrived at on a most conservative basis. Assets are figured very low. One Winnipeg property of large value is said to be carried on the books at $1, while the Toronto property on Toronto Street is shown at $30,000, and is considered worth three times that amount .

A number of the directors now on the Canada Landed Board will join the Canada Permanent board it is understood. The directors are:

Canada Permanent: W. G. Gooderham, president; E. R. C. Clarkson, vice-president; Col. A. E. Gooderham, Wm. Mulock, F. Gordon Osler, Wm. Stone, George H. Smith, George W. Allan, Winnipeg; A. B. Campbell, Edinburgh; Norman Mackenzie, Regina.

Canada Landed: F. K. Harcourt, president; G. Tower Ferguson, vice-president, F. Le M. Grassett, Charles J. Holman, James Playfair, John Watt, Edward Saunders.

Mortgage Companies Average Less Than 5½% on Investments

In connection with the review of the affairs of the Canadian Mortgage companies in the last issue of The Financial Post information was given to show the earnings of the various companies on their capital. But it will be readily understood that such earnings have little bearing on the return on the actual funds involved. In addition to the paid up capital practically all of the companies have large reserves and in addition carry a surplus of profit and loss. In order to get at the return on the actual investment it is necessary to lump the three items referred to. This has been done in the following compilation which shows the actual earning rate as well as the percentage on capital of most of the important companies doing business in the Western provinces. It will be noted that half of the companies made less than 6 per cent. and only 3 companies 7 per cent. or more while about ten companies actually made less than 5 per cent; the average was less than 5½ per cent.:

	Per Cent. Profits Cap. 1924	Earn. Rate 1924
Can. Mortgage Investment	5.1	3.9
Canada Landed	10.9	4.8
Canada Permanent	13.1	6.4
Central Canada Loan	13.5	6.5
Col. Investment & Loan	5.0	3.5
Crown Savings & Loan	8.5	5.8
Empire Loan	2.4	2.3
Guelph & Ont. Invest.	9.9	4.9
Ham. Prov. & Loan	14.2	6.4
Home Invest. & Sav.	5.4	3.5
Hudson Bay Mortgage	3.1	3.0
Huron & Erie Mort.	10.0	7.4
Industrial Mortgage	11.8	6.6
Lambton Loan	13.7	6.2
Landed Bank. & Loan	13.1	6.3
London Loan & Savings	8.1	5.4
Midland Loan & Sav.	14.6	7.2
Northern Mortgage	6.1	5.3
Northern Can. Mortgage	5.9	5.0
Ont. Loan & Deb.	16.0	6.2
Port Arthur & Ft. Wm. Mtge.	2.0	2.0
Real Estate Loan	7.2	4.7
Royal Loan & Sav.	13.1	6.8
Security Loan	9.5	6.7
Sask. Loan & Invest.	6.3	6.0
Trust & Loan	5.9	5.1
Invest. Corp. of Can.	4.5	4.1
North of Scot. Can. Mtge.	15.7	6.0
Western Homes	7.2	7.0

Ottawa Trust-Busting as Election Time Nears

But Activities Are Feeble Justification of Such a Pretentious Statute as the Two-Year-Old Combines Act

From Our Own Correspondent.

OTTAWA.—The Combines Investigation Act became law nearly two years ago.

The minister of labor has just announced the first prosecution to be taken under it, and on the eve of an election.

The Combines Investigation Act was ostentatiously passed as a protection of the public against unfair fixing of prices and injurious controlling of trade.

It was presumably enacted because these undesirable practices existed or were apprehended.

Yet it has taken nearly two years for the Dominion Government to find out that there is any need of prosecuting any one for the commission of these alleged offences.

The powers conferred by the act are huge and the penalties are powerful. What has the government accomplished by means of the machinery thus placed at its disposal?

Little Has Been Done

So far there have, according to information furnished to parliament by the minister, been three investigations. Some other complaints have been received and preliminary inquiries made; but we do not know the number of them or their nature; and in any event none of them, except these three, has reached the stage of investigation by a commissioner.

The first formal investigation made was that into the fruit and vegetable trade. In this case the preliminary inquiry was begun February 22, 1924, and the formal investigation opened on June 13. The report of the commissioner, Lewis Duncan, K. C., was last, and the Nash organization—which has headquarters in Minneapolis, U. S. A.—was declared to be a combine in the meaning of the act. The minister notified the provinces concerned—the four westernmost of the Dominion—and when the attorneys-general of those provinces declined to take action independently of the Dominion, he instituted action in co-operation with the provincial authorities. This action is now only being begun.

The second formal investigation presented to parliament February 23 was made by Commissioner David Campbell, K.C., into the alleged coal

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Worried About C.P.R.

Investors Wonder if Great Line Has Not Seen Best Days—They Ask if C.P.R. is Not Now a Sale—But Railroad is Still Dependent on General Conditions in Canada.

NOT long ago New York had quite a scare as to C.P.R. and the rumor was circulated that the dividend was going to be cut from 10 per cent. to 8 per cent. London is the latest place to become nervous about what has long been considered as Canada's premier investment and a number of the financial writers in Lombard Street are questioning the ability of the C.P.R. to maintain its earnings in the face of National Railway competition.

Even in Canada there are investors who are definitely worried about the C.P.R. One of these investors in Montreal, who bought C.P.R. at 143, three years ago, writes to The Financial Post stating that he feels very nervous considering all the talk about the C.P.R and the C.N.R. amalgamation and the possibility of the C.P.R. disappearing as a great private corporation.

Advised to Sell C.P.R.

Another reader of The Financial Post, in Nova Scotia, asks about the stock. This investor purchased about 70 shares at a little less than $140 a share, on the average. He states: "One reputable bond house, well-known all over Canada, informs us that the fundamental earning power of C.P.R. is gone; the bulk of the wheat is going by the Panama Canal and that this wheat movement is increasing every year. This means that the C.P.R. is getting only a short freight haul to the coast and that at unprofitable rates, due to Crow's Nest Pass rates."

"The same bond house points out that the competition of the government railways is getting stronger every year. They cannot see how the C.P.R. can appreciate in value in the future and they are advising their clients not to hold too much of this stock among their investments."

Dependent on Canada

To all and sundry of such investors the one answer that may be given is that the future of the C.P.R. is still dependent upon the future of Canada.

Nevertheless, Canadian Pacific Railway is still the largest private organization in Canada; it is a trans-continental railway of immense asset value and earning power and must, therefore, rise and fall with Canada. It is in a strong position, able to withstand years of trial and tempest; it is certain to benefit as Canada grows; it seems certain to do a large part of the work in making Canada grow; it is well managed, economically operated and without a trace of stagnation.

There may be a few years of cautious development ahead of C.P.R.; of expense cutting and ultra-careful management, but conditions can hardly be more difficult than C.P.R. has gone through during and since the war years. Earnings can only drop below the level of the past few years if business in Canada becomes seriously worse than at present. Directors tell The Financial Post that the dividends can be paid for years without seriously weakening the company's financial condition. This seems reasonable.

WEST'S SEASON TWO WEEKS AHEAD OF LAST SPRING

Wheat Seeding Completed Under Satisfactory Conditions

By E. CORA HIND,
Commercial Editor Manitoba Free Press.

WINNIPEG.—Wheat seeding is practically completed in the prairie provinces and in Manitoba roughly 75 per cent. of the coarse grains are in the ground. In Saskatchewan and Alberta sixty to sixty-five per cent. of coarse grains are seeded. Since last writing there have been a number of very cold days and one or two quite severe frosts which have retarded the germination of coarse grains where not already up and nipped back, both wheat and course grains to some extent, but so far no considerable damage has been reported. The writer made a 150 mile motor trip on May 19, in South Eastern Manitoba and found conditions very fair indeed. Wheat did not appear to have suffered at all from frosts and while short was sturdy, a dark rich green and remarkably well rooted, coarse grains in the section covered were just beginning to show.

For the past few days weather has been very warm and while there is an abundance of sub-surface moisture crops would be benefited by a general light rain, though some of the more experienced farmers express the belief that continued warm weather for another week and then rain would give even better results. Saskatchewan reports some small amount of drifting but Alberta emphasizes the absence of any blowing soil to date.

The season continues to be two weeks ahead of 1924.

WHAT DID IT COST TO CONTROL CANNERS?

Much Gossip Going on in This Regard—Position of Control a Surprise

A great deal of guessing is going on in regard to what it cost to get control of Dominion Canners common by the purchase of stock on the open market. The buying movement is thought to have developed substantially last September, but others say that is has been going on since July. Taking the sales on the market since that time and averaging the price, this would place a market price of the 23,000 shares, held by those in control at $1,500,000. However, it is safe to assume that a considerable portion of the stock they voted at the annual meeting was by proxy so that it is decidedly difficult to figure out in this way what the cost of control was. In the last half of 1924 there were transactions in 24,630 shares and up to the date of the annual meeting 45,671 in 1925. The average price for the whole was 57½ while the average for the 1925 purchases was 89¾. The amount involved in the total transactions was $4,007,807,

IMPERIAL OIL'S EMPLOYEE STOCK OWNERSHIP PLAN

About 340,000 Shares Distributed Under Co-operative Trust

ATTRACTIVE BONUS

Average Workers Putting in $450 a Year for Five Years—Will Draw About $3,950 in Stock at Market Value

One of the great experiments now going on in the constant evolution of industry is in regard to employee ownership. In England, and in the United States a number of the big corporations have made substantial distributions of shares to their workers and in Canada the Imperial Oil Company is now distributing to about 3,200 employees, who for five years have been members of a co-operative trust fund, a total of nearly 340,000 shares with a market value of approximately $10,000,000.

As in the case of customer ownership with the utility corporations, the employee ownership campaign is being carried out, not so much with the idea of raising capital—although that may become an increasingly important factor as the movement goes on—but with the object of gaining good will and increasing the understanding of corporation problems. In addition, in the case of employee ownership, there is also the factor of increased loyalty and co-operation which should logically follow where the worker is a stockholder.

In the case of the Imperial Oil Company the distribution of stock now being made is the outcome of an experiment which was started five years ago and has been remarkably successful to the present stage. The question now to be answered is: What will the workers do with the shares? If the great bulk of the new shareholders immediately dispose of the stock the effort will have failed in the permanent result hoped for. But if, on the other hand—and there is reasonable assurance that this will be the case—the majority of the shares are held by the workers, the experiment will be considered a complete success and will now be repeated.

Handsome Returns

From the standpoint of the workers themselves the plan has been a success beyond anything they could have anticipated. Take the case of the average employee. Remuneration $1,800 a year. Of this 25 per cent. went into the fund during the five year period. To this the company added 50c. to the dollar. With this, shares of the company were purchased. Dividends were all reinvested on the same basis. Those entering the arrangement and leaving the company's employment were paid principal and interest, but the surplus was added to the fund. The result: Whereas the average employee putting in $450 a year actually invested $2,500 and would on the basis of compound bank interest have been entitled to about $2,650, he is now being given about $3,950 worth of stock—an increased return of approximately $1,300 on the $2,250 investment.

Co-operative Investment Trust of Imperial Oil was launched five years ago under the direction of Victor

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Quebec Liberals Oppose Government Loan Scheme

OTTAWA.—After the government's committee had practically unanimously recommended that the proposals of Dr. Tory for a scheme of federal farm credits be inaugurated the government party in the house sprung a surprise by strenuously opposing the measure against the Progressives and the Conservatives.

This situation exemplifies the anomoly that has been apparent to political observers, in that a large wing of the Liberal party, including the bulk of the Quebec members, is actually the most conservative element in our parliament today.

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The Business Outlook in Canada

Conducted by H. M. CAMERON, Statistical Editor, The Financial Post.

DAIRY INDUSTRY EXPANDS RAPIDLY THROUGHOUT WEST

Retail Trade Better in Nearly All Parts of Country

A study of business conditions throughout Canada based on information received by the head offices of the banks from their branches throughout the country, and from other reliable sources, indicates a gradual trend towards a larger volume of retail buying. The West shows a decided improvement in business, while certain lines of industry in the East are working into a healthier position slowly.

In the western provinces the large crop returns have led to a land buying movement in many sections. Large farms are reported to have an exceptionally good start. The land has been better cultivated than any year since 1920. Livestock both in Alberta and in Saskatchewan have changed hands, especially in Alberta, at a very reasonable price. Owing to favorable weather conditions the crops in Alberta are reported to have recovered satisfactorily from the effects of the hard winter and the losses were smaller than was expected. Much interest is being shown in oil developments in the area south of Calgary. Large cattle shipments are being made to Europe at good prices. The spring salmon catch of British Columbia is very satisfactory.

Dairy Industry Thriving

Particularly favorable reports are received concerning the dairy industry especially in Alberta. Last year that province shipped to Britain and elsewhere more than 4,000,000 pounds of butter which was a little less than one-fifth of the total production of creamery butter. It is anticipated that the surplus for export will increase to 7,000,000 pounds during the current year. This will be seven times the amount of the exportable surplus four years ago. The increase in the exportable surplus is due largely to the improvement in quality which was induced by the official cream grading system inaugurated by the provincial government in co-operation with the creamery operators three years ago. It is expected that the province's production of creamery butter this year will reach 20,000,000 pounds. Large butter shipments are being made also from various parts of Manitoba where mixed farming is gaining headway.

The heavy building program undertaken in the central provinces has proven an incentive to general retail and wholesale business, although buying is not particularly active for this time of year. The greater part of this building program is in the residence and apartment class, and a few large commercial buildings are under way in each area. This has proven a help to the unemployment situation. The textile industries are rather inactive although in certain lines trade is stated to be much better than two months ago. Great activity is reported from the mining area in Northern Ontario and the volume of business in some of the mining towns is very satisfactory. This is the case also in the newer mining area of Northern Quebec.

Shipping Helps Maritimes

Increased shipping has created greater business in certain of the port cities of the Maritime Provinces and the surrounding districts This is true particularly at ports of call on the coastwise service. Potato and cattle shipments have been heavier than last year. During the season just closed, 274 ocean steamers docked at the port of St. John, as against 211 during the previous year. Business is reported to be reasonably satisfactory throughout New Brunswick and in the agricultural area of Nova Scotia, but the ill effects of the strike are still felt in the industrial area of Cape Breton.

Canadian Conditions

Car Loadings—		
	1925	1924
Week May 9	50,785	55,188— 8.0%
	1925	1924
Yr. to date	969,471	995,089— 2.5%
Grain Receipts—		
Aug. 1 to May 8	232,106,742	356,106,742—34.8%
Building—		
	1925	1924
April	$14,856.291	$13,307,057+11.5%
	1925	1924
4 months	$33,972,311	$31,137,437+ 9.1%
Bank Clearings—April—		
	1925	1924
	$1,253,008,967	$1,241,047,206+ 0.9%
Savings Deposits—Chart. Banks—		
	1925	1924
Mar.	$1,266,231,798	$1,192,589.899+ 6.1%
Current Loans—By Banks—		
	1925	1924
Mar.	$917,645,337	$1.006,913,916— 8.8%
Net Dominion Debt—Mar. 31—		
	1925	1924
	$2,403,005,035	$2,409,326,639— 0.2%
March—	1925	1924
C.P.R. . . .	$12,931,546	$14,812,927—12.7%
Oper. exp. . .	10,814.334	12,302,128—12.0%
Net	2,117,212	2,510,798—15.6%
3 Months—	1924	1923
C.P.R.	$36,614,770	$41,288,482—11.3%
Oper. ex. .. .	32,759,039	36,839,434—11.0%
Net	3,855,681	4,449.048—13.3%
March—	1925	1924
C.N.R.	$18,233,944	$20,669,619—11.7%
Oper. ex. ...	16,598,221	18,376,553— 9.6%
Net	1,635,723	2,293,066—28.6%
3 Months—		
C.N.R.	$51,436,454	$56,782,628— 9.4%
Oper. ex. ...	49,916,204	54,227,186— 9.7%
Net	2,520,250	2,555,442— 1.3%
Balance of Trade—		
12 months Mar. 31—	1925	1924
Exp.	$1,081,361,643	$1,058,763,297+ 2.1%
Imp.	796,932,537	893,366,867—10.7%
Bal.	284,429,106	165,396,430+72.1%
May Wheat, No. 1, Nor. Winnipeg—		
	1925	1924
	May 18—$1.84	May (Aver.)—$1.04.

What Rayon Means to Canada

New Fabric Made From Wood Grows in Popularity and Threatens Supremacy of Silk and Cotton in World Trade — May Become Great Canadian Industry

FROM a position of minor importance in the textile field a decade ago, a new industry—the rayon or artificial silk industry is rapidly taking the centre of the stage. With the output of this new commodity creeping up on that of natural silk, it is not to be wondered at that the silk-producing companies are alarmed at the outlook. The present output of rayon is well over the 100,000,000 pound mark and some estimates for the coming year are as high as 150,000,000 pounds, against the world output of natural silk last year of 110,000,000 pounds. As Canada has the raw material in abundance, the industry is likely to be of much greater interest here shortly. Already one big plant is being built here to make rayon from sulphite pulp.

Various factors have combined to advance the development of the artificial silk industry, especially in Europe. The impoverished condition of the populace of central Europe after the war promoted the use of cheaper substitutes in many lines. Then the wide fluctuations of the staple textile lines suggested some product whose price was less subject to these sudden changes, and rayon, as will be shown later, seemed to fill the bill.

Four different processes have been developed for the manufacture of artificial silk. Cellulose in all cases is the base. The leading process, known as the viscose process, obtains the cellulose from wood pulp, and for this purpose, Canadian, Scandinavian and Maine spruce are particularly adaptable. The other processes use cotton as a base, in the form of linters or of waste. The United States leads in the output of the product. Great Britain, Germany and Italy follow in order.

Demand Still Exceeds Supply

Despite the large extensions which have been made in Europe in productive capacity, demand shows no indications of lessening. Even in Southern France, the home of natural silk, demand for the new product has continued to expand, and industries have sprung up with remarkable speed. In England, too, the product has been in great demand on the part of the woollen, cotton, silk and knit goods manufacturers. Established rayon mills have been pressed to capacity and new plants are being added. The largest British producer has established a mill in Cornwall, Ontario, to take advantage of the abundant wood supply of the Dominion. Canada, in the past, has been importing artificial silk at the rate of 1,600,000 pounds per year. It is stated that the existing plants will shortly overtake the domestic demand as well as entering the foreign field. There seems to be no good reason why the production of artificial silk should not become an industry of very great importance in Canada. It is to be hoped that Canada may take full advantage of at least one of her own natural resources.

Price Relatively Stable

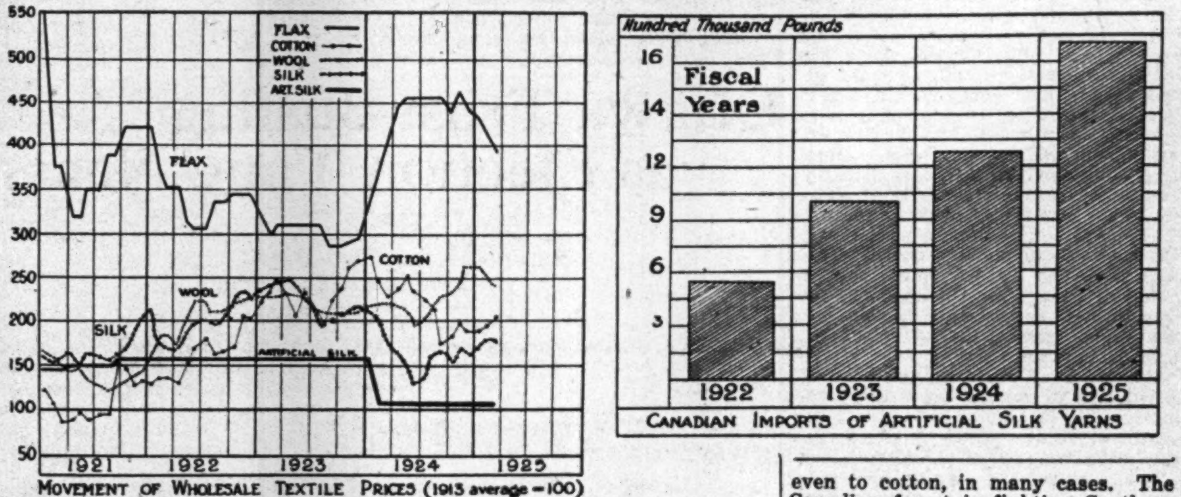
As previously intimated, one of the leading advantages of the new product is its relative price stability. Many manufacturers who have suffered from the daily fluctuations in cotton, wool and silk, have welcomed the efforts of rayon producers to make the price fairly stable. While the prices of other leading textiles now vary from 70 per cent. to 290 per cent. above the pre-war price, according to the National Branch of Commerce of New York, one of the leading grades of artificial silk has returned practically to the pre-war price, and has remained fixed. Since rayon is a chemical and mechanical product, rather than agricultural, supply can be adjusted to requirements with a fair degree of promptness. The situation is very much otherwise in the case of natural silk. Results of a change are long in affecting the large number of small farmers engaged in its production. The bulk of the world's artificial silk is produced by a small group of manufacturers who maintain research laboratories and alert sales forces equipped very quickly to sense the industrial developments affecting their product. Output may be very quickly reduced or speeded up according to requirements.

A very marked realignment of position in foreign trade of the artificial silk producing countries has taken place since the war. France and Switzerland both exported more than they imported in 1913 but now have a heavy import balance. Italy, Germany and the Netherlands meanwhile have come forward as heavy exporters. The change which has taken place is shown in the table below.

The silk provision of the recent Churchill budget in Great Britain is of interest in this connection. Lancaster is reported to be up in arms against the artificial silk duty. The cotton trade is objecting since they have been diluting their cotton with artificial silk to produce new yarns and fabrics. Increasing quantities of rayon are being used for this purpose in all countries.

Cotton textile manufacturers in Canada are watching the development of the artificial silk or rayon industry, to determine its possible effect in their business. The cheapness of rayon, as compared with natural silk, puts it in the class of inexpensive yarns and fabrics. Women now buy artificial silk fabrics in preference even to cotton, in many cases. The Canadian forest is fighting Southern cotton fields for the honor of clothing men and women.

Canada's Growing Purchases of Newest Textile



MOVEMENT OF WHOLESALE TEXTILE PRICES (1913 average = 100)

CANADIAN IMPORTS OF ARTIFICIAL SILK YARNS

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A General Banking and Foreign Exchange Business Transacted.

Dividend No. 153

Notice is hereby given that a dividend at the rate of 8 per cent. per annum upon the paid-up Capital Stock of the Union Bank of Canada has been declared for the current quarter and that the same will be payable at its Banking House in the City of Winnipeg, and also at its Branches, on and after Monday, the First day of June, 1925, to shareholders of record at the close of business on the 15th day of May next.

The Transfer Books will be closed from the 16th to the 30th day of May, both days inclusive.

By order of the Board,

J. W. HAMILTON, General Manager.

Winnipeg, April 14, 1925.

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Established 1832

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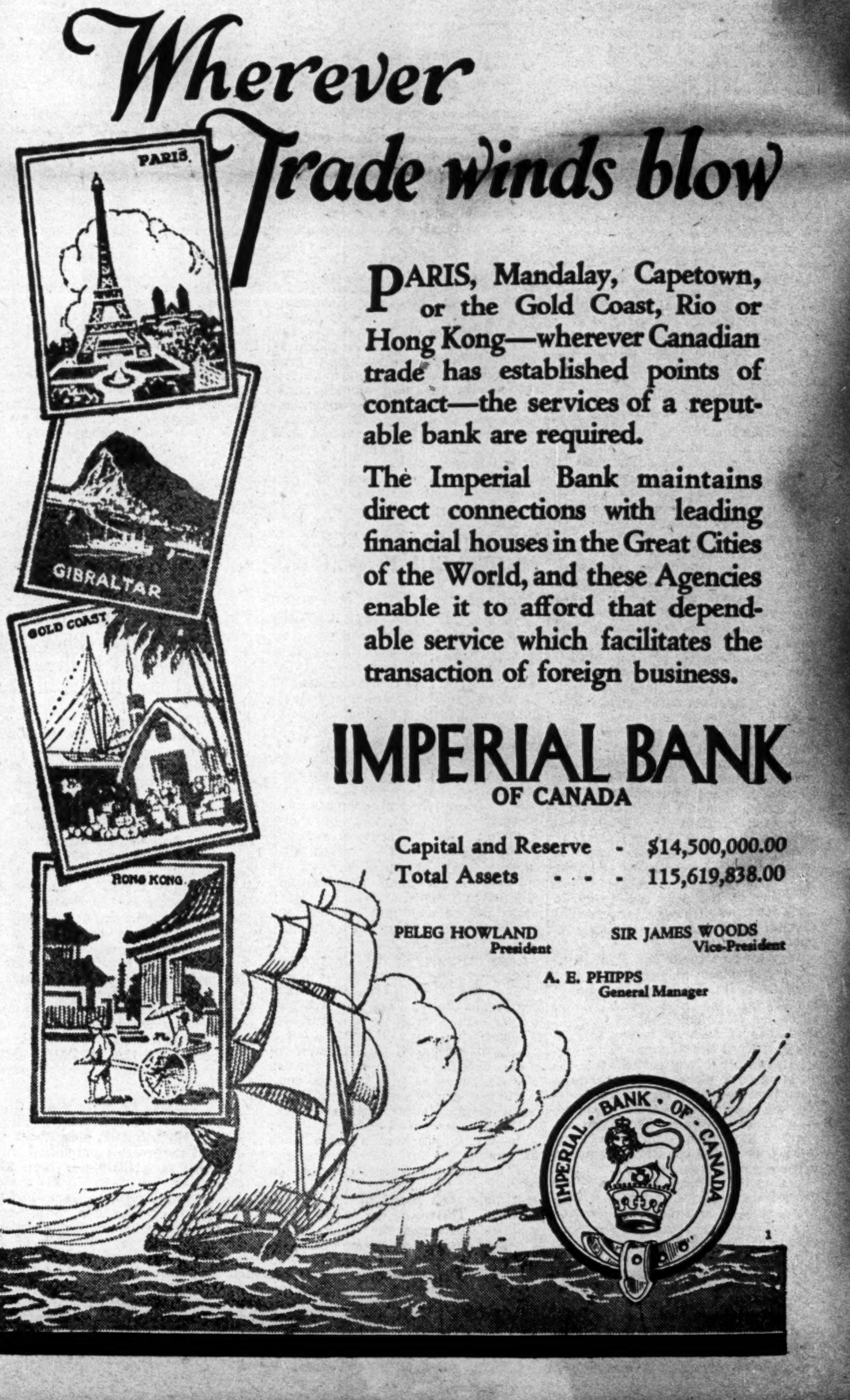

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QUEBEC CALLS ON MANUFACTURERS TO FACE ISSUES

To Co-operate on National Problems With Farmers and Others

By GEO. D. MacKINNON,
Chairman, Quebec Division, Canadian Manufacturers Association.

Industry in Canada, as a whole, has not prospered during the past year. On the contrary, many of our smaller industries have been obliged to close down and many of these to liquidate—while our larger ones, with some exceptions, have been forced to curtail operations, reduce outputs and throw thousands of hands out of employment. Recent reports from the United States Labor Department at Washington show that for the past year over thirteen thousand Canadians per month emigrated to the United States. It is estimated that during the past few years over 300,000 Canadians have left Canada to reside in the United States. This means that the farmers and other food producers and dealers are losing approximately $40,000,000 per year—the amount represented by the food which these people would consume—and as by far the greater number have left Eastern Canada, the producers of these eastern provinces are, to the greatest extent, the ones who are suffering this loss. Add to this the cost of clothing and otherwise maintaining these people and it will seen that a sum of over $60,000,000 per year is lost to Canada without taking into consideration the extra taxes, railroad burdens, etc., which those who remain are obliged to assume.

A few years ago there was a great industrial development in the country, many companies being incorporated and hundreds of new plants being erected . Perhaps the largest proportion of the latter were branches of American industries located as a result of our Canadian and British preferential tariffs, but it is noticeable that during the past two or three years this movement has almost ceased, and those plants which are located here are working at considerable disadvantage. This is undoubtedly due to the fact that the Canadian customs tariff offers no particular protection against the millions of dollars, worth of foreign goods which are flooding this country and of which about 80 per cent. could be manufactured successfully in Canada to the ultimate advantage of Canadians generally—as well as to the fact that the British preferentials have not given the contemplated advantages.

Selling Our Birth-right

Much is made of the fact that our balance of trade is favorable—and well for us that it is—considering the fact that perhaps the whole favorable balance is used up in meeting foreign interest payments and expenses of Canadians who spend much time each year in the Southern United States and in Europe. When we analyse our trade returns, however, we find that our exports consist almost wholly of:

1. Wheat and other products of the soil.
2. Minerals in their unrefined condition.
3. Products of the forest, consisting of lumber, pulpwood, pulp and paper.

In other words, we are exporters of raw materials principally to the United States where these materials are manufactured and shipped back to us as finished products. Our imports consist of, manufactured goods and farm products, the major portion of which can be produced to great advantage in this country—fruits and other foodstuffs and general articles of commerce.

It has been frequently stated that Canada with her immense natural resources is fundamentally sound and this is undoubtedly true— but may I ask what advantage is Canada deriving today from these natural resources? What revenue do we receive from our 80 per cent. of the world's supply of asbestos? What of our nickle and other minerals? What of our forest wealth? What of our wheat?—of our water powers? Almost nothing. Our wealth is being dissipated to the benefit only of those who are operating our mines, forests and farms, and not to the reduction of our burden of taxes. But nothwithstanding the fact that our balance of trade appears to be favorable, there does not seem to be a single fundamental reason to-day, why industry as a whole should improve in the near future. During the past 3 years, about 80 per cent of the manufacturers of Canada have lost money and at the same time as a result of the scramble of business and the necessity, in many cases, of selling their goods below cost of production in order to keep their plants running and their men employed, they have been compelled to pay sales tax from surplus or capital—a most iniquitous condition.

A National Summons

A great deal has been said of late years about our customs tariff. In my opinion, no real effort has ever been made by leading Canadians to study the situation calmly and seriously and devise means of improvement. The East has been pitted against the West. Ontario against Quebec, farmers against manufacturers, etc., and yet the Progressives of the West and elsewhere are as much interested in the development and progress of the country as those engaged in other lines of business and politicians, by whatever name they may be called, are generally eager to see Canada prosper. Why then do we wrangle one with the other, province with province, race with race, east with west, instead of getting together as sensible business men and deciding on a national policy which will permit us to develop as this great country should, to the ultimate benefit of all classes. With such a policy in effect, we would not have to worry over problems of immigration as the people will come to Canada when, and only as soon as, they are assured of a livelihood; problems of railways, which can only be solved by economies and by the increase in business produced by Canadian farmers, miners and manufacturers. Problems of taxes, which will take care of themselves as soon as the axe is applied to expenditures and also business and population increase.

I call, therefore, upon the leaders of our own association, with those of banking, farming, railroading, as well as our political parties, to meet in a true spirit of co-operation and frankly discuss our problems and develop a broad-minded, common sense policy under which Canada with her great ability and immense resources, will be able to prosper.

FARM EXPORTS HELP TO CORRECT BALANCE

Responsible for Increase in Shipments Abroad Last Year of $35,000,000

The main contributors to the increase in the exports from Canada during the past fiscal year from $1,045,351,056 to $1,069,067,353, were farm products. Despite the decline in the grain yield, agricultural and vegetable products exported rose from $430,932,150 to $443,298,877, and animal products increased from $140,423,284 to $163,031,415. In fact, farm product exports increased $35,000,000, while the total net increase was less than $24,000,000.

Imports into Canada during the year dropped by $96,434,330. Chiefly responsible for this decline were iron and its products, which declined nearly $40,000,000, non-metallic minerals, and farm products. Our purchases from the United States declined by about $90,000,000. A continuation of this movement would bring the trade of the two countries more into proper alignment. Canadian imports from the States will exceed our shipments there by nearly $100,000,000. Imports from the United Kingdom declined only marginally.

Interest attaches to the figures for our trade with Australia on account of the current negotiations between the two countries. Statistics which have been published are shown to be quite misleading by the returns of the past year. Our imports from Australia more than doubled, from $1,037,451 to $2,634,713, while our exports to that country declined from $19,923,997 to $12,037,203.

German economic development is shown by the fact that our exports to that country were $9,950,877, $16,153,650 and $24,234,685 respectively, during the past three fiscal years.

Quebec Manufacturers Welcome Complaints

By W. F. STEWART,
Chairman, Quebec Committee on "Produced in Canada."

"A complaint which is lost upon the manufacturer so far as his goods are concerned, means only one thing, and that is loss of business for him, but a complaint brought direct to the manufacturer and if it be well founded and accompanied by good strong criticism often means a satisfied customer, and an improvement in the goods. In view of this fact, the manufacturers of Quebec Province have appointed a number of committees representative of the various leading industries of the province, some twenty-five in all, and these will be added to as necessity demands. Already several complaints have been received, and these in each instance satisfactorily adjusted or the complaint proven to be without foundation. In this matter the retail merchants are also co-operating.'

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POLICIES FRAMED IN N. S. PENDING COMING ELECTION

Strenuous Contest Forecast as Two-Party System is Re-Introduced

From Our Own Correspondent.

HALIFAX.—With the prorogation of Nova Scotia Legislature recently, the term of the Government comes to an end, and dissolution of the House is expected within a short time, with the elections following, it is believed before midsummer. Political activities have been very brisk for some time, the Conservative party being particularly aggressive in organization. A number of counties are already lined up with the nominees of party conventions. Specific issues of the campaign are not very clear, and it would appear very probable that the fight will be largely on the record of the Government. It is not improbable that the Government's campaign will centre much around its own record of highway construction, hydro electric development and the general high credit of the province, with the Armstrong resolution concerning the provincial relations to the Confederation as a reserve force. The Conservative campaign, while not outlined as yet in general manifesto, has been indicated at several general meetings. It will include special emphasis upon a general audit of the provincial finances, and an attack upon the Armstrong resolution on the grounds that if the province has not had readjustment of any claims it may have against the Federal Government under the Confederation pact, the Government alone is to blame, as the Liberal party has been in power in the province for forty-three years.

The present indications are, that no matter what the distinct issues may be; no matter who may be the candidates in the various counties, the forthcoming election will be a very strenuous contest with the record of the Government the paramount question on every hustings, and personalities very much eliminated. One of the notable features of the contest will be the almost complete elimination of the third party, except in such counties as nominate Labor, for instance Cape Breton, and possibly Pictou, for in all other counties the United Farmers organization has almost altogether withdrawn from the field, their former representatives in the House, and their supporters returning to one or the other of the two straight line parties.

Rise in Flour Exports to Various Countries

During the fiscal year ending March 31 total exports of wheat flour from Canada were valued at $70,638,692 against $62,783,118 last fiscal year. The actual volume was approximately the same, although the wheat yield had declined very materially. For the fiscal year just closed we shipped 11,029,227 barrels.

While the most notable increase in purchases from us took place in the case of Russia, whose imports from Canada were valued at $4,870,841 against $18,583 the year before. There were also substantially larger orders received by various Canadian companies from other countries as well. Chief among these were Germany, Netherlands, British West Indies and South Africa, Lettonia, Newfoundland and Venezuela. The Irish Free State, whose figures were formerly included in those of the United Kingdom, purchased $1,399,957 worth.

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How Sales Tax Discriminates

(Example No. 17)

The Canadian manufacturer is held responsible for payment of the tax. After exerting himself to the utmost to apply the tax according to his understanding of the law, he may be found to have erred in practice. And it is not surprising that manufacturers err in interpreting this law when in fact the authorities who have to administer it, in some cases interpret it differently at different times.

But if the Canadian manufacturer errs in applying the law the official auditors as a rule go back to the inception of the tax and demand arrears on the basis of the official interpretation—notwithstanding that the manufacturer has closed his books from year to year in the full belief that he has correctly and strictly accounted to the government for the full amount of the tax. And where arrears are demanded in this way the manufacturer cannot recover from his customers.

NEW PACKING PLANT

VANCOUVER.—A small packing plant is to be erected this summer on the north arm of the Fraser River at a cost of $45,000. This is the first unit of a plant that will eventually cost nearly $200,000.

CONTRACTORS

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Our Cattle Capture the British Market

From Our Own Correspondent.

WINNIPEG.—"Canadian cattle have at last come into their own on the British markets and every day sees them ousting the Irish cattle from the premier position held by them for many years," said H. P. Kennedy, president of the Livestock Producers Co., of Canada, and a foremost livestock authority, while in this city recently en route to the East after a month's stay at the company's feed lots at Edmonton.

"It stands to reason therefore that there is every incentive to western farmers to raise cattle for export to the Old Country, especially when it is remembered that although Canada is making vast strides in this direction there is yet plenty of room for further development of the British import trade," continued Mr. Kennedy.

He mentioned an order which his firm recently received from a Scottish firm, which had hitherto only handled Irish cattle. The order calls for 3,000 head to be delivered next fall. Mr. Kennedy firmly believes that there is a market for all the cattle that Canada can send overseas.

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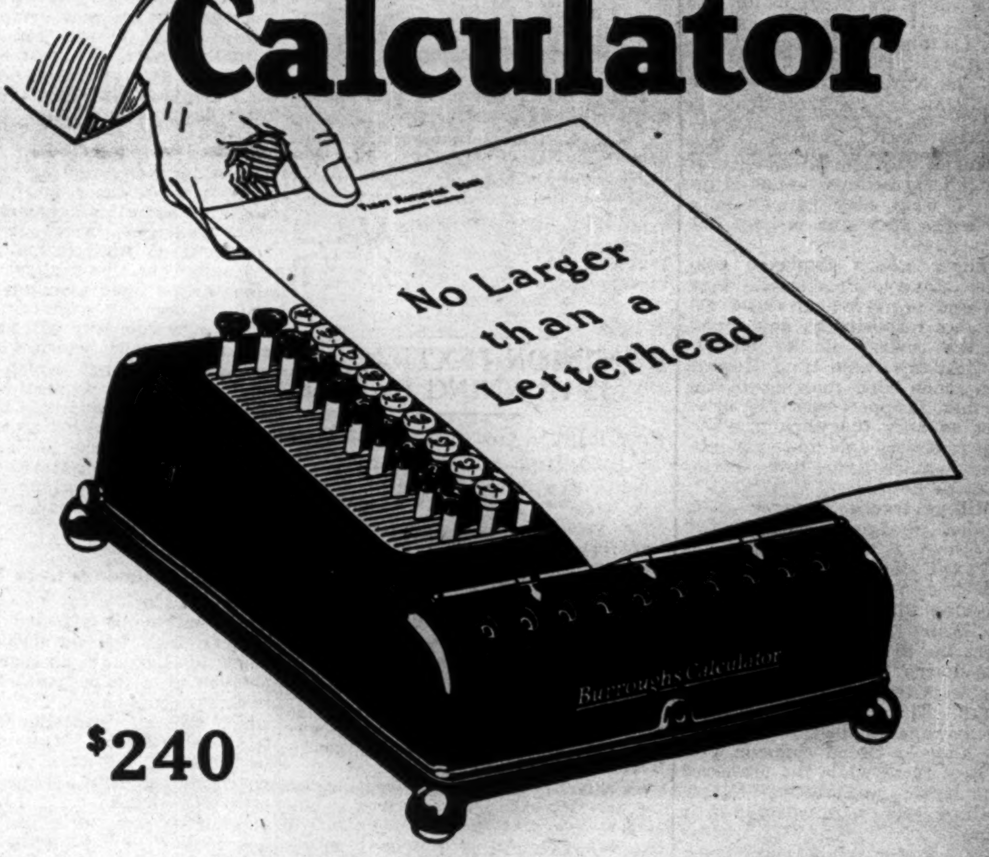
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The Securities Markets

SELECTIVE BUYING FEATURES MARKET; NEGLECT EVIDENT

Some Fair Advances Made in Issues Subject of Special News

MARKET INDICATOR
(20 Industrial Stocks)

Week May 20		Week May 13		May, 1924	
High	Low	High	Low	High	Low
76.2	73.2	74.8	72.2	68.0	63.9

Selective buying has marked the stock market during the past week. Issues which have been the subject of favorable news were bought freely and a number of good advances were scored. Otherwise trading has been negligible. Losses were few, which would indicate that liquidation for the time being is absent from the market. The great bulk of shares are at a standstill and brokers state that they are likely to stay that way for a time, but qualify this with the statement that a reactionary move, discounting the usual holiday slump, may be expected any time.

Investment issues have been in fairly good demand, but the prices for the most have held unchanged with the exception of some of the bank issues. It is difficult to explain the week's trading in this group. Three stocks advanced, Dominion 2½, Montreal 1½ and Nova Scotia ½, while 6 declined, Commerce 1½, Canadienne 1, Imperial ½, Royal 2½, Toronto 1½ and Union 2. Not one of them was the subject of any special news, brokers say. They believe that it is indicative of what may happen to a market in the state the present one is in.

The paper group displayed considerable activity, Provincial Paper common and preferred advanced 4½ and 2 points respectively, due doubtless to the revival of the merger rumors. At the same time Howard Smith common also figuring in the merger talk, dropped back 2½ after a strong advance the week previous while the preferred sold up two points. Both the Spanish issues were better than a point down.

Milling Issues Stronger

Dominion Bridge 2 points and Ontario Steel 3 were the only advances in the steel group, while fractional declines were noted among the other issues with the two Steel of Canada issues standing unchanged. Doubtless the 40 cent rise in the price of flour during the week had something to do with the advance in milling issues. There were six advances for an average of better than two points. Canada Bread common provided six of these while the preferred was one better, and the two Maple Leaf Milling issues both bettered their positions.

Montreal Power and Quebec Power both in the limelight of late, made 7 and 2½ points advance while the balance of the power issues stood firm, or neglected. Twin City, on the report that fares are likely to be advanced soon was 3½ points better while the optimistic reports about Winnipeg Electric, a review of which will be found elsewhere in this issue, sent the stock up 4½ points only to develop considerable profit taking and a consequent decline followed. Brazilian was slightly stronger on the strength of the statement of Sir Alexander Mackenzie that the company has had a good year, while Pres. E. R. Peacock's optimistic note at Barcelona meeting led to some buying and the strengthening of that issue one point. C. P. R., which was a reactionary last week, recovered four points.

The many reports of a marked improvement in Penman's position keeps that issue in the limelight. Otherwise the Textile group was neglected. Anticipation of an excellent report strengthened American Sales Book, while the report that the asbestos merger troubles were being smoothed out led both Asbestos Corporation issues to higher levels. F. N. Burt buying continues with the new common up to 54 or on a basis of 216 for the old shares. The talk of a brewery merger which has since been denied brought both National and Frontenac Breweries into demand at higher levels. Lyall continues to display strength and at 29 is almost double the price ruling at April 1, 15. B. C. Fishing has been a little reactionery though there exists a good opinion of the standing of the company, and any slight reaction generally brings out considerable new buying.

There is no special news abroad about the company, but it is generally credited with having worked back to a greatly improved working position. Dominion Canners reacted somewhat, as was to be expected, after the annual meetings, but when it is considered that the buying that has been going on, was for the purpose of control, the stock holds remarkably strong. Some brokers say that it is not too plentiful. The shares are thought to be in fairly strong hands now and the tendency is to hold to see what dividend action will be taken on the common.

Gilman common, which during the week came on the market at 80, has moved up rapidly to 90. The preferred is firm at 103½. The two new Christie issues are also strong, the common being up 3¼ at 40 and the preferred 1 at 118.

The trend of the market is shown in the following table:

	Gains	Losses	Unchg.	Tot.
Banks	3	6	1	10
Paper	6	4	1	11
Steel	2	3	2	7
Milling	6	0	3	9
Utilities	3	0	11	14
Tractions ...	5	0	8	13
Textiles	2	0	11	13
Indust.	10	2	22	34
	37	15	59	111

STERLING
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DOMINION TEXTILE IS RUNNING BETTER

President Gordon Outlines Situation at Company's Annual Meeting

From Our Own Correspondent.

MONTREAL.—The prevailing sentiment at the annual general meeting of Dominion Textiles Company held here this week, was one of satisfaction at the results of the years business.

Sir Charles B. Gordon, the president, quoted from a recent article which showed that a large percentage of textile firms in Great Britain had failed to earn their dividends. He added that in the United States, the industry was also not in a very flourishing condition.

Sir Charles recalled, at the opening of the meeting, that in January of the present year the company had passed its twentieth year, having been incorporated originally on January 4, 1905.

Dealing with the present situation of the company as regards business, Sir Charles stated that while so far things have been running better than a year ago, he could not make any predictions as to the future. He laid great stress on the need of more population in Canada at the present time. An increased population would mean an enlarged market, and the company had all the facilities, the necessary cash and the organization, to take care of any widening of its markets and increase of demand.

This point was given greater importance when, in answer to a shareholder's question, the general manager, F. G Daniels, informed the meeting that the company's entire business was confined in Canada alone. There can be no export business for the company owing to the high rate of wages paid here as compared with other countries. In the course of his remarks a little later, Mr. Daniels pointed out that the margin of profit was very small, being about one cent a yard on plain cloth and 1⅝ cents on printed goods. The significance of this small margin may be appreciated when it is remembered that on an article which requires three yards of goods such as a shirt, for example, the profit to the company is only about three or four cents.

Sir Charles referred to the new cotton purchasing department which has been established in the south. The staff engaged there now has been enlarged and the results have been satisfactory to the company. Raw cotton has been purchased at a considerable saving from prices which cotton merchants supplying similar mills are charging. This saving, Sir Charles said, was reflected in the net results of the company and consequently in its dividends.

Benson & Hedges (Canada) report sales for the month of March amounting to $57,732, as compared with $59,750 for the corresponding month of last year.

Public Utilities

GROUP OF POWER COMPANIES WILL BE CO-ORDINATED

Power Corporation to Manage Many Power Companies Soon

From Our Own Correspondent.

MONTREAL.—As indicated some weeks ago in The Financial Post, the recent incorporation of the Power Corporation of Canada is the first step in a movement to consolidate, under one executive head, a large group of power and utility companies operating in this country.

The new company, incorporated by Nesbitt, Thomson and Company, is capitalized at $10,000,000 preferred shares and 250,000 shares of common stock of no par value. Nesbitt, Thomson and Company own through stock control many utility companies in Canada, in addition, this firm has a substantial interest in companies such as Southern Canada Power and Winnipeg Electric.

It is intended that the Power Corporation of Canada will definitely assume the management of a group of these power and public utility companies. As yet, it has not been decided which concerns will definitely be centrally managed as well as being centrally owned, but no doubt in the course of time, the number coming under the direct management of the new concern will gradually be increased.

At the present time, Nesbitt, Thomson and Company are interested in the following companies. In many instances they have the actual control and ownership of these power developments, whilst in others, they have a large interest: Canada Northern Power Company; East Kootenay Power Company; Great Northern Power Company; Laurentian Power Company; Manitoba Power Company; Ottawa-Montreal Power Company; Ottawa and Hull Power Company; Ottawa River Power Company; Southern Canada Power Company; Wahnapitea Power Company; Winnipeg Electric Company; Northwestern Utilities Company:

Those to be Managed

Of course, all these companies will not be operated by the Power Corporation, but even for those which are not actually controlled, there will be a central management which, with its technical staff, might well be of use to those concerns which are not managed by the new company. Probably some of the companies not actually under the central management will use the Power Corporations staff for making reports on possible new developments and for special purposes.

There are, in the United States, several companies working along these lines, in some cases, a group of utilities are centrally managed, whilst in other instances, the group is centrally owned as well as managed. One company in particular operating along these lines manages over fifty utilities for the owners.

The new company will have its own engineering staff which will carry on investigations and which will also make reports on properties which are about to be acquired. The advantages connected with the central operation of utilities are so enormous that a move of this nature in Canada could not have been long delayed—in fact there are indications of similar steps being taken by another large investment house.

Many Savings to be Made

As an indication of the saving which might be effected for shareholders, take the purchasing department of the new company. It can be seen at a glance that tremendous savings could be made here alone which will all result in more returns to the shareholder. One other thing; in the past, due as a rule to inefficient management, there have been utilities which have run foul of public opinion — companies operated from one centre usually obtain a management which is not afraid to take the public into its confidence and in this way the friction which has signalized the operation of certain companies in the past can be avoided; a thing which would react beneficially as far as shareholders in the separate companies are concerned.

In addition, it is usual for centrally owned and operated concerns to employ a definite system of bookkeeping which allows for a standard basis of comparison with other concerns, and as a rule a monthly bulletin of earnings is published—all of which is appreciated by the shareholder.

More Savings

Naturally there will be savings effected in the cost of managing the various constituents companies, also power companies operating in adjacent territories benefit through increased co-operation, such as in rentals of lines, or in sales of power in peak periods.

All in all, the shareholders of those companies, which will shortly be included in the central management scheme should have no cause for worry. Some of the more prominent companies in the States which operate along these lines are: Electric Bond and Share Company; Mid-west Utilities; Stone and Webster; North American Company and Electric Power and Light Corporation.

Something of the magnitude of this move, leading to the central operation of the Nesbitt, Thomson power companies, may be judged from the fact that companies which are either controlled, or for which they are the fiscal agents, have an installed capacity of over 325,000 horsepower and an ultimate capacity of 600,000 horsepower. These companies have an outstanding capitalization of over $100,000,000 and supply, either directly or indirectly, cities and towns having a population of nearly a million. The various companies are situated in Quebec, Ontario and B. C.

Public Utility Earnings

CAN. WESTERN NATURAL GAS

	1924	1925	Increase
January	148,965	163,953	14,988
February	104,266	171,679	67,413
March	96,065	148,335	52,270
Aggre. earn. from Oct. 1 to Mar. 31	$610,004	$881,203	$271,199

B. C. ELECTRIC RAILWAY

March—	1924	1925	Increase
Gross earn.	$ 918,366	$ 978,963	$ 60,597
Exp., maintenance, etc. ...	649,749	691,549	41,800
Net income ...	$268,617	$287,414	$18,797
Aggre. gross from July 1, 1924, to Mar. 31, 1925 ..	$8,118,389	$8,511,547	$393,158
Aggre. net from July 1, 1924, to Mar. 31, 1925 ..	$2,423,432	$2,492,602	$ 69,170

INTERNATIONAL UTILITIES

The combined earnings reports of the corporations controlled by the International Utilities Corporation through stock ownership or contracts for purchase of stock, showed, for the first quarter of 1925, gross revenue of $1,755,703, as compared with $1,531,660 for the same period last year and net earnings after fixed charges of $686,486 or an increase of $277,681 over the first quarter of 1924.

(See also page 7)

Dennis Firm Links Up With American Line

Something further is added to the manufacturing power of Canada by a recent arrangement made by Dennis Wire and Iron Works of London. This firm, it is announced by E. R. Dennis, the president, has acquired Canadian manufacturing and distribution rights for an established American line of steel automotive store and factory equipment, that is produced in the United States by David Lupton's Sons Company of Philadelphia.

The significant feature of this arrangement is that it ensures production in a Canadian factory of a line that has already been on the market for some time and therefore adds that much to the output of Canadian industry.

BEER WAR MAY CUT DIVIDENDS

Report Revived of Negotiations For Sale of Frontenac to National Breweries

From Our Own Correspondent.

MONTREAL. — Notwithstanding the many bearish rumors which, because of the lengthy duration of the beer war, have been going the rounds, the stock of National Breweries continues to hold at about 50.

There has been considerable talk of National Breweries buying out Frontenac, but there is no official confirmation of this—incidentally if negotiations leading to a merger were in progress, the present rate war would cease immediately.

In view of the fact that beer is now selling to the retailer at a reduction of $2 a barrel, many here express the opinion that the company will be forced to cut its dividend, payable on July 1.

With regard to the rumors concerning Frontenac, it is at least possible that National Breweries might obtain control of the company through buying out some of the larger shareholders.

It is understood that two years ago this question was under consideration, but negotiations fell through due to the holders of Frontenac demanding too much and asking, it is stated, almost 150 for their stock. The high for this year was 65 and the last board lot was at 60, and the low for the year 54.

Frontenac has outstanding 9,100 shares of common stock. The National Breweries have an authorized common capital of 240,000 shares, of which only 90,172 shares have been issued. In the case of Frontenac the shares have a par value of $100, whilst National are $25.

With market values about the same, a fair proposition, if the National think the Frontenac plant of value to them, would be to offer the Frontenac common shareholders an exchange of share for share. This would increase the issued National common to 99,272 shares, and add only $36,400 to their dividend disbursements.

$36,000 a year would be a very cheap price to secure peace, whilst it would give the Frontenac common shareholders a 4 per cent. dividend on their original stock, a condition that they have very little prospect of seeing under the present situation, or in fact for a long time to come under the most favorable conditions.

Whether or not the National interests would consider an arrangement such as suggested is not known, but the company would no doubt stretch a point to secure a settlement of the present turmoil in the brewing industry.

Water Power
A Basic Industry

It is generally admitted that no business rests upon a stronger foundation than that of favorably located Water Power Companies. The securities of such companies offer an excellent investment opportunity.

Write to-day to our nearest office for particulars of Water Power Securities

NESBITT, THOMSON
and Company Limited
305-7 Bank of Hamilton Bldg., Toronto
Montreal Hamilton Winnipeg
London, Ont.
230

Rise in Lead Prices Favorable to Smelters

From Our Own Correspondent.

MONTREAL. — April production of Consolidated Mining and Smelting Company was 16,684,394 pounds of lead and 5,332,414 pounds of zinc. The lead production was in the largest in the history of the company, which is of interest in view of the fact that American Smelting has advanced lead prices ten points to eight cents a pound.

Smelters are planning to increase operations again and at the present time are constructing a new mill of 500 tons capacity at the old St. Eugene Mine.

The lead market, in which the company is preminently interested, has taken an upward trend again after having declined over a period of several months from above ten cents to nearly seven cents in the United States.

The entire issue having been sold, this advertisement is published as a matter of record only

$250,000

Paramount International Rubber Company
of Canada, Limited
6½% First Mortgage Sinking Fund Gold Bonds

Dated May 1st, 1925 Due May 1st, 1945

Principal and interest guaranteed unconditionally by endorsement of the Parent Company, The Paramount International Rubber Co. of Delaware, U. S. A.

Principal and semi-annual interest (May and Nov. 1st) payable at the holder's option in Gold at the Royal Bank of Canada, Montreal, or at the agency of the Royal Bank in New York City. Redeemable in whole or in part on any interest date on sixty days' notice on or before May 1st, 1930, at 107 and accrued interest; thereafter up to and including May 1st, 1935, at 105 and accrued interest; thereafter up to and including May 1st, 1940 at 102½ and accrued interest; and after that date redeemable on any interest date at par with accrued interest. Coupon bonds in denominations of $1,000, $500 and $100 with privilege of registration as to principal or as to principal and interest.

TRUSTEE: MONTREAL TRUST COMPANY, MONTREAL

CAPITALIZATION

	Authorized	Issued
First Mortgage 6½% Sinking Fund Gold Bonds (this issue)	$1,000,000	250,000
7% Cumulative Preferred Stock	750,000	100,000
Common Stock Shares of no par value	25,000 Sh.	20,000 Sh.

PROCESS: The Paramount Process is an improved patented method of manufacturing Moulded Hollow Rubber Goods. It replaces hand labor with machinery and has been adopted, on a royalty basis, by many prominent rubber manufacturers in the United States, Canada and European countries.

BUSINESS: A large Canadian business in lines the Company will manufacture is now supplied almost entirely by imports, and the Company will enjoy an immediate substantial market practically without competition. In addition, the Company will license, on a royalty basis, such other Canadian manufacturers as may be deemed advisable. No Paramount products may be imported into Canada from licensees in other countries, but the Canadian Company may export its manufactures to any country in the world.

ASSETS: The Company will have a modern equipped plant at Farnham, Que., with adequate buildings and land for future expansion. Ample working capital is being provided for all requirements. The balance sheet after completion of this financing will show assets in excess of $550,000.00.

EARNINGS: With royalties from Licensees and conservatively estimated manufacturing profits, net earnings for the first full year of operation should be in excess of $85,000.00. After paying Bond interest and Preferred Stock dividends, this is equal to about $3.00 per share on the common stock.

GUARANTEE AND ENDORSEMENT: These Bonds are unconditionally guaranteed by endorsement of the parent company, the Paramount International Rubber Company of Delaware, U.S.A. The combined Royalty income of the parent company and the Canadian company for the first year of operation, exclusive of any operating profit of the Canadian company will equal approximately $50,000.00, or over three times the Bond interest.

THE ROYALTIES WILL BE COMPRISED AS FOLLOWS:

J. Lick & Cie, France	$12,500.00
Sampson, Martin Corp., Canada and England	5,000.00
A. G. Spalding & Bros., Canada, England, France, Australia	19,000.00
Paramount International Rubber Co. of Canada, Limited	15,000.00
	$51,000.00

MANAGEMENT: The management will be in the hands of the men who originated, perfected and developed this business from the inception in the United States and foreign countries.

PLANT OPERATION: Will be in the hands of an executive of many years' experience in the manufacturing of rubber, who is thoroughly familiar with the process. Under this process the largest business of the world in hollow moulded rubber goods has been developed. The Canadian Company is to have the benefit of the experience, skill and advice of the organization that has made this development possible.

APPRAISAL AND LEGAL: The Company's land and buildings have been appraised by Geo. E. Goethalls and Company, Inc., of New York. Legal details of the formation of the Company and the issuance of stock have been passed upon by Messrs. Brown, Montgomery & McMichael, and Messrs. Foster, Mann, Place, Mackinnon, Hackett & Mulvena, Montreal, Que. Auditors, P. S. Ross & Sons, Montreal, Que.

SINKING FUND: The Mortgage securing this issue provides for an annual cumulative sinking fund of 2½% commencing May 1st, 1928.

Further Bonds may be issued only to the extent of 66-2/3% of cost of additions or extensions, and only after the net earnings for the previous fiscal year, after depreciation and sinking fund, amount to not less than twice the interest charges on the Bonds issued and to be issued.

We offer these Bonds, as, if, and when issued, and subject to favorable opinion of our Counsel.

Price: 98 and accrued interest to yield approximately 6.70%

(Carrying a bonus of 2 shares of common stock of no par value with each $1,000 Bond).

WILLIAMS, PARTRIDGE & HODGSON
LIMITED
171 ST. JAMES STREET, MONTREAL

The statements in this advertisement are not guaranteed but are based on the information which we believe reliable, and on which we acted in purchasing these securities.

Iron and Steel

BESCO TO HAVE CHANCE TO SHOW WHAT IT CAN DO

That is if Strike is Settled on the Company's Terms

From Our Own Correspondent.

SYDNEY.—While the exact date of the termination of the Nova Scotia coal strike cannot be stated, the final outcome now seems a foregone conclusion and the following results are anticipated:

The U. M. W. will be no longer recognized by the operators, local contracts and other vexatious and costly conditions of mine labor will be abolished.

The company will be able to operate its collieries on practically its own terms.

The Besco management will have a final opportunity to demonstrate to the world whether it is, as it claims, efficient, but hampered by union rates and working conditions, or whether, as the miners claim, it is hopelessly inefficient and incapable of profitably running the colleries under any and all conditions.

Board of Conciliation

It is understood that at the Sydney convention the real subject for discussion will be the authorization of an appeal to the Industrial Peace Act for a board of conciliation. There is a bare possibility that the strike may formally be called off, if the Mainland and Sydney mines delegates take the bit in their teeth, but the probability is that the convention will adopt some medium course, such as is afforded by the provisions of the Armstrong Act. The company seems determined to allow the strike to run its full course, probably with a view to letting the men see for themselves, without outside interference, the futility of continuing longer the conditions of turmoil and unrest, which have existed for the past five years.

So far as can be learned, there is no truth in persistent rumors that the company will, in the near future, "blow the work whistles" inviting all those willing to work on the scale of 1924 rates, minus 10 per cent., to come back to the pits, although it is being claimed that if this course were followed, 90 per cent. of the men would respond.

The Political Situation

The political factor is still present in the strike, but the situation has changed completely in this respect from what it was 10 weeks ago. At that time it was expected the Armstrong Government or the company would succumb to political clamor, but this has not happened, with the result that politicians, who egged on the leaders at that time, are now conspicuously silent and taking little part in the struggle. The reason is that a quick strike with possibly a few concessions here and there would have been a strong stump argument for its instigators, but a lost strike is always a boomerang in this part of the country, the soreness and bitterness of defeat invariably wrecking itself not on the strike enemy but upon the unsuccessful, or ill-advised, leaders and politicians.

Importing U.S. Coal

One fact which, as much as anything, has opened the eyes of the miners to the true facts of the case, is the sight of cargo after cargo of Viriginia being shipped in Black Diamond bottoms past the coal fields of Cape Breton to Besco customers in the Maritime provinces, Newfoundland and Upper Canada. For the first time in history, United States coal has been used in the manufacture of steel at the Sydney plant, but every cloud has its silver lining and this experience has served to convince Maritime consumers that the Virginia fuel is not as good as the Cape Breton variety—at least Mainland people complain they cannot get as good results with it. This should prove a good argument for Besco salesmen when the strike is over and business picks up again.

One encouraging feature of the situation is the continuance of steady business at the Sydney steel mills. Although rail rolling has been completed and the rail mill shut down for the time being, all other departments of the plant are working at capacity with no let up in sight at the present time. Pessimistic rumors have successively set the date for closing down at May 5, then May 29 and finally June 10, but no official move to this effect has yet been made.

PLANT EQUIPMENT IS IN GREATER DEMAND

A larger volume of business in the iron, steel and machinery markets has led to continued improvement in the industry in general, according to Canadian Machinery and Manufacturing News. While manufacturers do not yet see their way clear to commit themselves on future business, they are making substantial demands for spot tonnages. The inability of sellers to interest users in future requirements has apparently helped to prevent prices reaching a stable level and further cuts are said to be probable in some lines. The analysis proceeds in part:

High production rates are being maintained at Dominion steel mills. Algoma Steel Corporation's rail mill is back on double shift, following the relief of congestion in their yards by the opening of navigation. The work of laying some of the new steel between Fort William and Winnipeg will require 300 men, and operations will be begun this week.

When the British Empire Steel Corporation's mill have finished rolling the Canadian National order with which they have been occupied for some time past, work will start on the rolling of 1,380 tons of rail for the Quebec Central.

During the month of April, No. 1 blast furnace at Sydney set a new high record with an output of 13,496 tons of basic pig iron. The best previous showing, in March, 1924, was 13,191 tons. In the steel plant, 2,600 men are working to-day.

Improvement in several features of the industrial situation is well-illustrated by the activity of plants at Belleville, Ont., where the outlook is more promising than at any time since the war. New orders are coming in steadily, and production at a high rate is guaranteed for some time to come, three factories being obliged to work double shift.

The pulp and paper industry is providing a considerable amount of work for engineering firms. The Canadian General Electric Co. has been awarded a contract for the electric equipment for the new mill of International Paper Co., at Three Rivers, amounting to between $800,000 and $900,000, believed to be the largest individual order of its kind ever placed in Canada.

Building returns, particularly from Eastern Canada, show advance over the figure of 1924, with a number of projects reported pending which would give the metal working industry much employment. Montreal Light, Heat and Power Commission is to commence within a week or so the construction of sub-station claimed to be the largest for city distribution on the North American continent.

EASTERN ENGINE DEFICIT $14,000, ACCOUNTS SHOW

Annual Meeting of Much Discussed Company Brings Out Facts

MONTREAL.—One of the features of the annual meeting of Eastern Engineering Company, which was held here this week, was the fact that the balance sheet showed that the president of the company A. C. Attendu owed the concern over $5,000.

The fireworks, which were expected, failed to make their appearance, but T. Kelly Dickinson, the local broker who was instrumental in bringing the president and some of the directors before the courts had some interesting things to say and questions to ask.

In addressing the meeting Mr. Dickinson pointed out that the records showed that from 1922 to 1924 commissions on the sale of the company's stock paid to president and two of the directors amounted to approximately $12,000; he also declared that the administration had been anything but satisfactory in permitting expenditures on the scale indicated on the balance sheet. Mr. Dickinson also asked a number of questions in connection with these expenditures and stated that he would take the necessary steps, subject to advice of his counsel, to permit Mr. Attendu to go to Philadelphia to resume the tests on the engine built for the U. S. Navy Department. Owing to actions now before the courts, the consent of the complainant, Mr. Dickinson, is necessary to Mr. Attendu leaving Canada.

The Expenditures Made

F. A. Monk, managing director of the company explained to Mr. Dickinson the nature of the expenditures since 1923, and it was stated that the monthly expenditures of the company have been brought down to approximately $5,000, as compared with ten to twelve thousand some time ago.

Mr. Attendu told of the progress made in the tests conducted at the Philadelphia Navy Yard and intimated that much depends upon his returning to complete this work. He thought the appropriation which will mean the payment of $45,000 to the company for the engine there should be through by June, and that important contracts seemed imminent upon the proving up of the engine.

Mr. Monk announced that Mr. Cutten, of Toronto, did not desire re-election as a director owing to his being located so far from the field of operations, while Donald Deeks, now residing in England, had also decided some time ago that he would not again have his name presented for election to the board.

Another feature of the meeting was the fact that one enquiry by one of the 85 shareholders present entailed the disclosure of the fact that the company's current financial position shows a deficit of about $14,000.

The Balance Sheet

The balance sheet gives a somewhat clearer view of the company's position than did its predecessor. Patent rights are shown at $2,037,500; construction expenses, $192,006; machinery and equipment expenditures, $45,522; interest in the English company, $94,867 Cash is shown at $7,303 as of January 31, 1925, as compared with $143,405.

Other small items bring total assets to $2,551,955. The only liability shown outside the $2,546,330 representing capital stock was $5,625 accounts and bills payable.

The balance sheet items of the past two years compare as follows:

ASSETS	1925	1924
Patents	$2,037,500	x$2,411,673
Construct exp.	192,006	....
Mach. & equip.	45,522	....
English Co.	94,867	....
Adv. to A. A. Attendu	5,595	....
Adv. to other officers	410	....
Sundry adv.	79	....
Accts. rec.	....	6,280
Cash	7,303	143,405
Total	$2,551,955	$2,561,358
LIABILITIES		
Capital stock	$2,546,330	$2,546,330
Acc. & bills pay	5,625	15,028
Total	$2,551,955	$2,561,358

xIncluding machinery, etc.

Besco Steel Plant on Highly Efficient Basis

SYDNEY.—As a result of curtailment of operations in certain departments, rumors again persist that a general close down of the steel plant is coming about the last of May. These reports are not taken seriously. According to the observations of experts, the Sydney plant has been so thoroughly reorganized upon a basis of scientific efficiency, that any decided forward movement in steel that would bring additional business to Besco, cannot fail to be reflected in substantial profits to the company.

STOCK MOVEMENTS OF THE WEEK

WEEK ENDING MAY 19

	Div. Rate	Yield May 18	High for wk.	Low for wk.	Close May 19	Close May 12	Sales for wk.	Range 1925 High	Range 1925 Low
Banks—									
Commerce	12	6.09	199½	196	198	198¼	219	210	194½
Dominion	12+1	6.59	197	193½	196	194	162	200½	189
Can. Nationale	10	6.66	151	150	150	150	57	151	148
Imperial	12	6.44	187	185	186½	187	93	193	184
Montreal	12	4.87	246	244½	246	244	201	250	240½
Nova Scotia	16	5.30	265	264	264½	264	37	268	262
Royal	12	5.15	237	233½	233½	238	15	237	227½
Standard	12	6.93	173	173	173	174	21	175	170
Toronto	12	6.09	199½	197	197½	199½	53	221	192½
Union	8	7.40	111	108	109	111	89	114½	105
Paper—									
Abitibi, com.	4	5.94	67½	65½	67½	67½	2215	68	62
Do. pref.	7	6.48	..	..	..	..	..	108	101
Brompton Pulp	.	....	25	23½	24½	24½	470	33½	21
Laurentide	6	7.59	81	78½	79	80½	885	96½	78½
Price Bros.	2	5.12	39	38½	39	39	380	40½	35½
Prov. Paper, com.	6	5.45	110	95½	110	95	435	97½	88½
Do. pref.	7	6.93	101	99	101	100	29	101	95
Smith, Howard, com.	.	....	42	39½	39½	39	2000	42	21½
Do. pref.	8	7.69	104	100½	103	100	1705	104	69½
Spanish River, com.	7	6.60	107½	105½	105½	107	735	114	87
Do. pref.	7	5.93	118½	117	117	118	262	127	112½
St. Maurice Paper	6	6.97	86	86	86	84	80	86	83
Wayagamack	.	....	46½	43½	46½	43	165	52	34½
Steel and Steel Industries—									
B.E. Steel, com.	.	....	2	1½	1½	2	595	3½	1½
Do. 1st pref.	.	....	26	25½	26	27	125	34	25½
Do. 2nd pref.	.	....	8	7½	8	8	229	11½	7½
Can. Car & Found., com.	.	....	46	44½	45	44½	195	57½	44½
Do. pref.	7	8.33	84	82½	83½	83½	322	90½	81½
Can. Foundries, com	.	....	..	..	..	..	..	20	20
Do. pref.	.	....	..	..	..	..	..	50	45
Can. Locomotive, com.	.	....	..	..	..	..	..	72	64
Do. pref.	7	8.23	85	83½	83½	80	17	90	80
Dominion Coal	.	....	..	..	..	..	..	50	40
Dominion Iron, pref.	.	....	..	..	..	..	..	28	25
Dominion Radiator	7	6.96	101	101	101	..	15	102½	100½
Dominion Bridge	4	4.38	91½	90	91½	89½	460	98	77½
Dom. Steel Corp., pref	.	....	..	..	..	..	..	37	25
N.S. Steel, pref.	.	....	..	..	..	..	..	32	32
Ontario Steel, com.	4	7.51	55	51	55	..	393	55	43
Do. pref.	7	7.36	..	..	..	..	..	95	91½
Canada Iron, com.	.	....	..	..	..	..	..	8	8
Do. pref.	.	....	35	35	35	..	9	35	35
Steel of Canada, com.	7	8.04	87½	85½	86½	85½	2811	89	75½
Do. pref.	7	6.43	108½	108	108½	108	90	112	105
Milling—									
Canada Bread, com	4	3.25	123	117	123	117	470	125	98½
Do. pref.	7	6.82	102½	102	102½	102	34	105	100
Inter. Milling, pref.	7	7.07	99	98½	99	98½	63	102	97½
Lake of Woods, com.	12	6.70	180	178	180	180	61	188	178
Do. pref.	7	5.57	..	..	..	..	..	125½	121
Maple Leaf, com.	.	....	88	86	88	..	125	100	80
Do. pref.	7	7.17	98	97	98	97	78	101	96
Ogilvie Flour, com	3½	2.89	139	138	139	136	65	150	90½
Do. pref.	7	5.53	126½	126½	126½	..	3	136	121
Shredded Wheat, com	8+1	5.80	..	..	..	..	..	155	155
St. Law. Flour, com.	4	....	33	33	33	31	5	65	27
Do. pref.	.	....	..	..	..	..	..	136	121
West. Can. Flour	8	7.14	112	112	112	—	25	112	107
Utilities—									
Bell Telephone	8	5.83	137	136½	137	136½	489	138½	133
Consumers Gas	10	5.91	169	168	168½	169	90	171½	164
Dom. Telegraph	6	6.00	..	..	..	..	..	50	38½
Kaministiquia	8	7.80	..	..	..	..	..	125	100
Mackay, com.	7	5.89	119	118	118½	118	182	119	114½
Do. pref.	4	5.83	68½	68½	68½	68½	99	69½	67
Mexican Light, com.	.	....	26½	26	26½	26	150	26½	22
Do. pref.	.	....	60	60	60	..	25	62½	57
Mont. L. H. & Pr. Cons.	8	4.21	189½	177	184½	177	23696	189½	152
Montreal Telegraph	8	6.94	46	46	46	46	20	55	45
Ottawa L. H. & Pr.	6	6.15	97½	97½	97½	97	10	105	96½
Do. pref.	6½	6.37	102	101	102	101½	40	105½	101
Quebec Power, com.	5	5.15	97½	95	97½	96	1570	97½	85
Do. pref.	7	6.60	..	..	..	..	..	109½	103½
Shawinigan	7	4.89	143½	140	143½	139½	3152	143½	103½
South. Can. Power, com	1.00	....	79	78½	78½	..	150	84	67
Laurentide Power	.	....	..	..	..	..	..	97½	93½
Transportation—									
Can. Pacific Rly.	10	6.98	145	141½	145	141½	171	152½	130½
Can. Steamships, com	.	....	12	11½	12	12	60	13½	10
Do. pref.	.	....	45½	44	45½	45	437	50	42
Tractions—									
Barcelona	.	....	21	21	21	20	140	23	18½
Brazilian	4	7.84	51½	50	51	50½	3310	57½	49½
Detroit Un. Rly.	.	....	7½	6½	6½	8	300	29	3½
Duluth-Superior	.	....	39½	38	39½	38½	274	42	35
Illinois Traction, pref.	6	6.36	94½	94½	94½	..	40	94½	92
Montreal Trams	10	6.17	162	162	162	162½	1	173	160
Ottawa Traction	4+1	3.03	64½	64½	64½	..	23	68½	35½
Porto Rico Rlys., com.	.	....	40	40	40	41½	110	42½	35½
Do. pref.	7	7.95	88	88	88	87	15	91½	84
Quebec Rly.	.	....	23½	23½	23½	..	5	23½	20
Twin City, com.	4.00	6.15	68	63½	68	64½	2798	68	58
Do. pref.	7	7.21	..	..	..	..	..	97	94½
Winnipeg Elec., com.	1	....	49½	45	49½	45½	14340	49½	35½
Do. pref.	7	7.36	95	94	94½	95	116	98	88
Textiles—									
Can. Conn. Cotton, pref.	1	....	40	40	40	42	25	50	40
Can. Converters	7	8.23	85	82	84½	82½	193	87	80
Can. Cottons, com.	8	6.92	116½	115½	115½	115	25	115½	106
Do. pref.	6	6.38	94	94	94	95	10	95	90
Can. Woollens, com.	.	....	..	..	..	..	..	14½	5
Do. pref.	.	....	56	56	56	58	45	58	45
Dom. Textile, com.	4.00	5.50	78½	75½	77½	78	3367	90	66
Do. pref.	7	6.08	115½	115	115	115	33	116	111
Monarch Knitting, com.	.	....	..	..	..	..	..	45	30
Do. pref.	.	....	..	..	..	..	..	80	45
Montreal Cotton, com.	6	6.09	..	..	..	..	..	99	95
Do. pref.	7	6.14	114	114	114	114	9	121	109
Penmans, com.	8	5.06	159	154	156½	153	235	159	144
Do. pref.	6	6.00	100	100	100	..	59	101	99
Wabasso Cotton	4.00	6.89	58	58	58	..	140	60	56
General Industrials—									
Amer. Salesbook, com	4.00	9.75	42	41	42	41	61	42½	38
Do. pref.	7	7.79	90	88	89½	90	28	93	58
Christie Biscuits, com.	.	..	37½	36½	36½	34	125	37½	31½
Do. pref.	.	....	117	109½	117	..	130	117	109½
Asbestos, com	1	....	88	66	80	74½	6895	88	35
Do. pref.	6	5.74	109½	101	109½	105½	10679	109½	78½
Atlantic Sugar, com.	.	....	28	23½	26½	24	2500	27½	13
Do. pref.	.	....	67	64	67	65	291	82	40
Bird & Son, pref.	7	8.43	..	..	..	..	..	83	80½
B. C. Fishing	.	....	34½	31	32½	34½	585	35½	19
Burt, F. N. com.	10	5.00	52½	49½	52½	50	1728	52½	44
Do. pref.	7	3.88	200	200	200	..	15	180	142½
Canada Cement, com.	6	5.74	105	104	104½	104½	1130	110½	90½
Do. pref.	7	6.30	113	111½	112	113	82	115½	107
Cons. Rubber, pref.	.	....	..	..	..	..	..	90	86
Can. Gen. Electric, com	.	....	..	..	..	..	..	55	54
Do. pref.	7	6.73	52½	51½	52	52	116	55	51½
Can. Indust. Alcohol	1.28	6.92	16½	15½	16½	16½	3601	20½	15½
Canadian Salt	8	6.66	120	120	120	..	11	120	112
Carr Factories, com	.	....	..	..	..	..	..	2½	1
City Dairy, com	12	3.75	80½	79	80	78	325	87½	65
Do. pref.	7	6.54	107	106	107	..	9	110	104½
Crows Nest Coal	6	13.56	..	..	..	..	..	41½	35
Cuban Can. Sugar, com	.	....	5	5	5	6	100	10	5
Do. pref.	.	....	32½	31½	32½	32½	272	44	31½
Dom. Canners, com.	.	....	102½	92½	101	102	2135	109½	56½
Do. pref.	7	7.03	100	99	99	100	135	101	94
Dom. Glass, com.	7	6.25	113	112	113	111	40	116½	108½
Do. pref.	7	6.30	..	..	..	..	..	112	110½
Dominion Stores, com	1.00	....	32	32	32	32	5	34	28½
Do. pref.	8	8.08	99	98½	99	98½	9	100½	71½
Frontenac Breweries	.	....	65	60	65	56	50	65	54
Wm. A. Davies	.	....	27	26½	27	27½	3	32	24
Eastern Theatres, com.	.	....	..	..	..	..	..	15	14
Do. pref.	7	9.52	..	..	..	..	..	76	73½
Ford Motor	10	....	..	..	..	..	..	512	512
Goodwins, com.	.	....	..	..	..	..	..	50	50
Do. pref.	.	....	..	..	..	..	..	80	75
Goodyear Tire, pref.	7	7.40	95	94½	95	94½	315	100½	90
Gilman, com	.	....	80	80	80	..	125	80	80
Do. pref.	.	....	102½	101	102½	101	210	102½	100½
Holt, Renfrew, pref.	.	....	80½	80½	80½	80½	46	82	65
Do. com. (new)	.	....	21	21	21	20	10	21	20
King Ed. Hotel	.	....	..	..	..	..	..	27	20
Lyall Construction	.	....	29	24½	29	25	320	29	11
Macdonald, A.	.	....	..	..	..	..	..	11½	4½
National Brew., com.	4.00	7.84	52½	49	52½	51	6991	68	41½
Do. pref.	7	7.00	..	..	..	..	..	106½	98
National Brick, com.	.	....	15	15	15	..	25	18	15
Do. pref.	7	9.58	73	73	73	73	80	79½	71
Pacific Burt, com.	6	6.45	93½	93	93	94	25	96	94
Do. pref.	7	6.84	..	..	..	..	..	107	102
Port Hope Sanitary, com	.	....	60	60	60	59	5	60	53
Do. pref.	7	7.60	..	..	..	..	..	92	83½
Pure Gold Mfg.	50c	....	23½	23½	23½	23½	25	25½	23
Rogers, Wk. A., com.	.	....	59	58	59	59	16	65	58
Do. pref.	7	7.93	88½	88½	88½	88½	6	95	88
Russell Motor, com	.	....	..	..	..	..	..	35	24
Do. pref.	7	8.14	..	..	..	..	..	86	74½
Sawyer-Massey, pref.	.	....	..	..	..	..	..	12½	5
Sherwin-Williams, com	6	4.68	..	..	..	..	..	120	108½
Do. pref.	7	6.46	108½	108½	108½	109	10	110	104½
Sterling Coal	4	8.79	..	..	..	..	..	53	43½
Tooke Bros., pref.	.	....	50	50	50	50	20	50	27
Tuckett Tobacco, com.	4	6.25	65½	64	65½	62	210	70	55
Do. pref.	7	6.91	101½	101	101	100½	15	102½	79
Woods Mfg., com.	.	....	..	..	..	..	..	49	20
Do. pref.	7	9.85	71	70	70	69	75	88	69
Trust and Loan—									
Canada Landed	10	5.32	95	90½	95	90	481	95	80
Can. Permanent	12	6.03	200	198½	200	198	60	209	190
Colonial Invest.	6	....	4½	4½	4½	..	32	4½	4
Hamilton Prov.	10	6.45	..	..	..	..	..	156	154
Huron & Erie	7	5.60	..	..	..	..	..	125	125
Landed Banking	9	6.33	..	..	..	..	..	142	142
Montreal Loan	12+1	7.29	48	48	48	..	7	48	45
National Trust	12	5.50	218	218	218	..	5	233	210
Ontario Loan	11	5.50	..	..	..	..	..	109	90
Real Estate Loan	7	8.04	87	87	87	..	46	88½	87
Toronto Gen. Trusts	12	5.71	210	210	210	..	45	212	208
Toronto Mortgage	10+1	5.93	..	..	..	..	..	92	90
Union Trust	7	8.23	..	..	..	..	..	80½	80½

UNLISTED SECURITIES

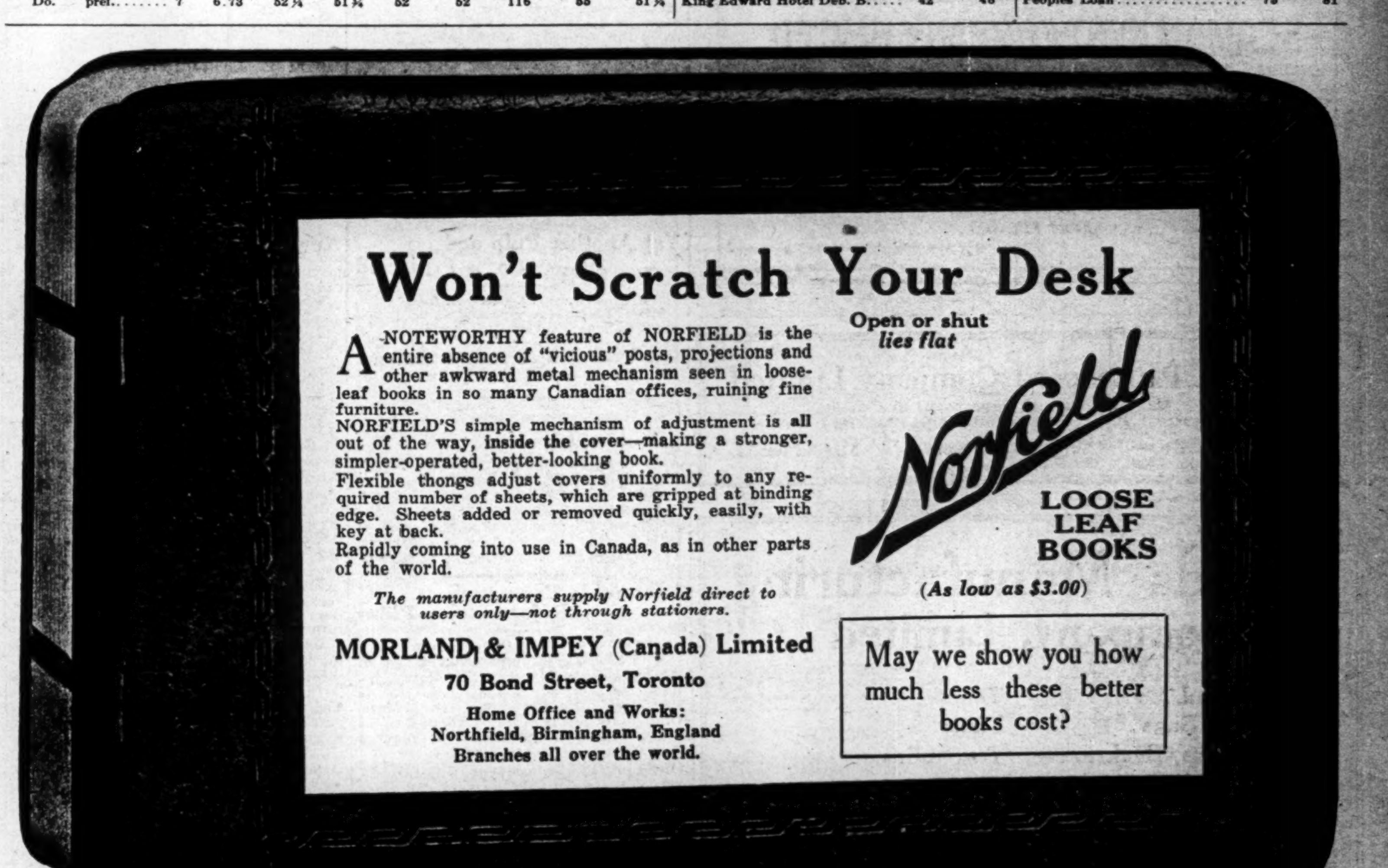
Industrials, Utilities, Etc.—	Bid	Asked
Anglin Norcross	60	..
Brooks Steamer (1 pref, 2 com.)	..	7
Can. Machinery, com.	3	5
Can. Machinery, pref.	14	17
Canadian Oil, pref.	94	96
Can. Westinghouse, com.	146	151
Cockshutt Plow, pref.	29	30½
Cosgrave Brew.	5½	7
Dryden Paper	..	4
Dom. Comb. Mill (1 pref, 2 com)	30	40
Dom. Power, pref.	93½	96
Durant (A)	5	6
Durant (B)	6	7
Durant (C)	7½	8½
English Electric, pref.	33½	36
Famous Players, com.	12½	13½
Gunns, Ltd., pref.	34	37
Imperial Tobacco	6½	7½
King Edward Hotel Deb. A.	66	70
King Edward Hotel Deb. B.	42	46
K. & S. Tire, pref.	8	10
Loew's Toronto, com.	28	30
Loew's London, com.	50c	1½
Loew's Ottawa, pref.	14	17
Massey-Harris	47½	50
Mount Royal Hotel, com.	3	4
Mount Royal Hotel, pref	23	25
North Mexico Power, com.	33½	35
Manitoba Power, com.	17	20
Rickenbacker Motors	3½	4½
Simpson, Robt., pref	97½	99
Paton Mfg., com.	45	48
United Securities, com.	54	56
Western Grocers, pfd.	28	32
Loans and Insurance—		
Capital Life	21	24
Chartered Trust	78	90
Continental Life	29	32
London Loan	45	..
Manufacturers Life	62	67
Mortgage Discount, pref.	6½	7½
Monarch Life, 10% paid	16	18
Peoples Loan	75	81

They Had No Banks

IN the early days of Canada there were no banks. The pioneers sometimes entrusted their money to the general merchant for safe keeping—often they were compelled to hide it. Buying and selling were largely by barter only.

The coming of the branch bank filled an important need in every community, and today the wise farmer, business man or private individual keeps his money in the bank and makes full use of the many services it has to offer.

The Royal Bank of Canada



Won't Scratch Your Desk

A NOTEWORTHY feature of NORFIELD is the entire absence of "vicious" posts, projections and other awkward metal mechanism seen in loose-leaf books in so many Canadian offices, ruining fine furniture.

NORFIELD'S simple mechanism of adjustment is all out of the way, inside the cover—making a stronger, simpler-operated, better-looking book.

Flexible thongs adjust covers uniformly to any required number of sheets, which are gripped at binding edge. Sheets added or removed quickly, easily, with key at back.

Rapidly coming into use in Canada, as in other parts of the world.

The manufacturers supply Norfield direct to users only—not through stationers.

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70 Bond Street, Toronto
Home Office and Works:
Northfield, Birmingham, England
Branches all over the world.

Open or shut *lies flat*

Norfield LOOSE LEAF BOOKS

(As low as $3.00)

May we show you how much less these better books cost?

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LIMITED

Manufacturers of
COTTON FABRIC

MONTREAL TORONTO WINNIPEG

The Wabasso Cotton
Company, Limited

THREE RIVERS, P. Q.

Manufacturers of Fine White Cotton,
also Spinner's Fine Counts of Yarns

DOMINION BRIDGE CO.
LIMITED
Montreal, P.Q.

ENGINEERS, MANUFACTURERS AND
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LIMITED

General Offices:
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Refineries - St. John, N.B.

BEST THAT'S MADE IN EVERY GRADE
SEAMAN KENT COMPANY LIMITED
Largest Producers of Hardwood Flooring in the British Empire
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Factories: Meaford. West Lorne and Renfrew Ont.
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Hardwood Flooring in
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Hardwood Lumber
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SEAMAN-KENT HARDWOOD FLOORING

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Largest Manufacturers of Paperboard in Canada.
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
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Woods Manufacturing
Company, Limited

Jute and Cotton Bags
Hessians, Buckrams
Paddings and Twine
Tents
Flags
Tarpaulins
Clothing and Cotton Fabrics

FACTORIES AT
MONTREAL, TORONTO, OTTAWA
WINNIPEG, WELLAND
HEAD OFFICE:
MONTREAL

Pulp and Paper

CONSERVE WOOD SUPPLY FOR NEW PAPER PROJECTS

That is Argument Being Advanced in Favor of Embargo

MONTREAL.—Pointing out that reported impending developments in the newsprint industry involving an additional 3,000 tons a day for Canada's output of paper, means a further demand of pulpwood supply of 1,350,000 cords a year added to the present consumption of close to 4,000,000 cords a year, Frank J. D. Barnjum, who has recently returned after being in the Orient for some time, again takes up the case for a pulpwood embargo. He declares that restriction of exports is the one practical and efficacious means of effecting an appreciable and immediate saving of our wood supply. Continuing, he says:

Instead of making additional inroads into our forests for the production of paper we should be reducing the cut of publicly owned timber by at least 50 per cent. and thereby creating a market for all wood cut by bona fide settlers. Instead of shipping upwards of 1,250,000 cords of wood a year out of the country we should insist upon every stick of it being kept here. Instead of allowing vast areas to be devastated every year by forest fires, we should provide the adequate means for fire protection.

My advice to every holder of standing pulpwood at present is to reduce his cut to his lowest minimum requirements. He will be serving his own interests, as well as conserving those of his country, by so doing, since values are bound to increase as exhaustion of supply becomes more and more imminent.

The situation calls for an immediate and complete embargo upon pulpwood exports, restriction in cutting on Crown lands by 50 per cent., and at least four times the present expenditure for fire protection and forest upkeep. An ounce of conservation is worth a pound of reforestation. Example: In the Province of Quebec in 1923, 1,000 acres were replanted, while over six million acres were burned over, while not less than thirty-five million trees were shipped out of the country to furnish raw material for American manufacturers. What incentive is there for either private or public capital to apply itself to reforestation while these conditions are allowed to continue unchecked?

One of the arguments in favor of exportation is that we might better ship our pulpwood than burn it up. There might be something in this if it were not for the fact that the wood exported is taken from our most accessible and therefore our most easily protected stands. Fire, as a rule, takes its toll from the more remote areas. Thus we have two great destructive agencies—fire and needless exploitation—both working to reduce our wood supply to a mere memory.

Bathurst Expansion Programme Delayed

MONTREAL.—Angus McLean, Bathurst, N.B., president of the Bathurst Company, Ltd., states in regard to the report that a second newsprint machine will be installed in their mill, they are not planning to do this in the immediate future, and that it is not likely they will install another unit until 1926. The company are operating their sulphite and sulphate pulp departments to capacity, and while the market is fairly active, there is no improvement in quotations. "We are moving pulp practically as we produce it at current market prices, in which there is no profit," added Mr. McLean.

Abitibi Commences Study of Second Growth

From Our Own Correspondent.

MONTREAL.—Plans have been completed at the engineering division of the woods department of the Abitibi Power and Paper Company for a regeneration survey on samples on each of the areas which have been cut over each year by the woods department since the beginning of the Abitibi operations, as well as on sample burned areas. The object of the survey is to determine the rate and amount o second growth to be expected after the virgin stand has been cut over. Plans are also ready to make several experimental thinnings in young spruce and jack pine stands. The purpose of this investigation is to reveal the effect on the growth of the remaining stand such thinnings would have.

Yet Another Pulp and Paper Co. is Projected

From Our Own Correspondent.

MONTREAL.—A new pulp and paper company was incorporated this week. The name of the new concern is the Ste. Anne Paper Company, and its plans for development include the construction of mills and shops at Beaupre, Que. The company is headed by Toronto interests. The promoters are Messrs. Emile Andrew Wallberg, manufacturer; Henry Herbert Horsfall, manufacturer; Thomas Alex. Cass, manager; Harry John Leggie, accountant, and Alfred Ivor Simmons, accountant, all of Toronto.

Application has also been made to the Provincial Government for permission to build a wharf at St. Anne de Beaupre. The company is capitalized at $3,600,000.

Laurentide Company's Reforestation Plans

From Our Own Correspondent.

MONTREAL.—Reforestation plans of the Laurentide Company this spring, include an addition of 1,000 acres to its plantation situated near Grand'Mere. This plantation is situated about 3 miles from the plant and the trees planted this spring will total 3,000,000.

In addition the company will take 2,000,000 trees from the nursery and place them in its transplant beds. A considerable sales and export business has been worked up by the forestry division of the company. This year the Shawinigan Water and Power Company is taking 50,000 trees and at least 165,000 trees are being exported to the United States accompanied by 446 pounds of spruce seed. Also quantities of moss are being sold to Montreal firms.

Corner Brook Nfld. Paper Plant Helps Maritimes

SYDNEY.—Cape Bretoners are benefiting largely by the great pulp and power development at Corner Brook, Newfoundland. Not only is local labor employed, but generous contracts are being awarded daily to enterprising local men. One of these is John Pilkington, North Sydney, who has leased a tract with approximately 100,000 cords of wood, which he has contracted to raft down to the paper mills at the rate of 10,000 cords a year. The price is $10 a cord un-rossed.

Anglo-Canadian Pulp and Paper Developments

From Our Own Correspondent.

MONTREAL.—The preliminary work in connection with the building of the Anglo-Canadian Pulp and Paper Mills will begin this year.

Frank W. Clarke, who represents the Rothermere interests in Canada, has just returned from England, where he has been conferring with Lord Rothermere and his English associates with respect to the company's plans for development work.

The plans of the company as to the nature and extent of the development have taken on definite form. The site for the location of the mill is a matter which is now under consideration; certain surveys and preliminary work will be made shortly, and it is hoped that suitable arrangements will be made and the mill located at or close to the city of Quebec.

The projected plant will be self-contained, manufacturing under the same roof its own ground wood and sulphite, as well as paper. The plant as presently projected will have a capacity of 400 tons of newsprint per day, and when completed will probably give employment to about one thousand men.

The establishment of the present mill is a matter of considerable significance, in that it represents, it is believed, the first large newsprint mill in Canada projected and controlled by English capital.

The board of directors of the company includes, in addition to Lord Rothermere and Mr. Frank W. Clarke, Sir Herbert Holt, the Hon. Smeaton White and Mr. R. C. McMichael, K. C., all of Montreal, and E. A. Sursham, of London, England.

Belgo-Canadian Paper Earnings Said to be Up

From Our Own Correspondent

MONTREAL.—It is understood that the earnings of the Belgo Canadian Paper Company for the first four months of this year show an increase over the same period of last year. The company is now operating a well balanced mill with its fifth and sixth paper machines in operation. The business was originally established about 1900 and for 23 years was operated by Belgian owners.

Under its former owners, the company showed profit during the last 21 years of operation. Output increased gradually, and at the time of the transfer of control, output was approximately 90,000 tons per annum. Under its Canadian owners, the business has further increased its capacity by about 25,000 tons per annum, and earnings have increased proportionately.

The preferred stock of the Belgo Company is well distributed as the 40,000 shares are owned by 1,174 stockholders and the 85,000 shares of common stock is well held by 166 stockholders.

McARTHUR LIMITS CANCELLED

WINNIPEG.—At the end of six months or more of intermittent negotiation the government has cancelled the sale made last December of a berth comprising a million cords of pulpwood around Lake Winnipeg to J. D. McArthur, who proposed a 200-ton a day pulp mill. Mr. McArthur bid high and has not been able to finance the scheme on that basis. He retains a smaller berth and may go ahead with the scheme with it as the basis of supply.

WHALEN PULP PROSPECTS

Pending the sale of the Whalen Pulp and Paper Company which is scheduled to take place May 28, the properties are being operated on behalf of the bond holders. The interests of the latter and the debenture holders as well, are being looked after by a committee composed of I. W. Killam and W. D. Ross. While the ultimate disposition of the properties is yet in doubt, and no plans have been announced by those responsible, it is probable that the bond holders, through their representatives, will bid in the properties and raise sufficient new capital to construct a newsprint mill, with a view to continuing operations on a larger scale. Bond interest has not been paid up although earnings are sufficient for this purpose.

TEST NEW WESTERN ONTARIO OIL FIELD

New Well Will be Shot This Week—Oil is Good Quality

Everything is about ready for the final testing out of the new oilfield in Western Ontario, 4½ miles west of Thamesville. Ajax, Eagle and Vacuum oil companies, clubbed together and drilled a well in this new field. Three distinct oil flows were encountered, the last between 580 and 597-ft., showing 17 feet of onandaga sands. It is proposed to shoot the well on Friday or Saturday of this week and in the meantime testing is going on.

When the well was down 220 feet the first oil was encountered. It was a fine body and rose in the well nearly to the top. At 270 further oil came in and at 363 oil and salt water, the latter being considered a most favorable factor. The oil is of excellent quality, 40 per cent. baume and 30 per cent. gasoline.

Under the agreement this well is to be turned over to the Ajax Co., if it wants it. Other wells will be drilled if the present one is up to expectations. The three companies have an acreage sufficient to allow each to drill 150 wells. There is room for 50 more wells on the farm on which the present well is located. Oil Wells of Canada, another company is also going to drill in this vicinity.

SEALING SEASON A FAILURE

SYDNEY.—The comparative failure of the schooner sealing fleet in the Gulf has eliminated one local source of employment this summer. The Marden-Wilde Company will not operate its oil refinery at North Sydney because of scarcity of raw material.

The Laurentide Company
Limited

Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper

GRAND'MERE -:- QUEBEC

Belgo-Canadian Paper Company
Limited

Manufacturers of
Groundwood, Sulphite Pulp and
Newsprint Paper

MILLS AT
SHAWINIGAN FALLS, QUE.

ROLLAND'S UTILITY SHEET

IN THE old theatrical days the "utility man" was one of the theatre's most valuable assets. He could do anything from acting the "third bloodhound" in "Uncle Tom's Cabin" to taking the money at the door.

MOUNT ROYAL BOND is the "utility man" of modern business. It takes care of the many small but important jobs that do not require the highest grade of paper.

Made in white and seven colors, it is excellent for office and factory forms, circular letters, etc.

MOUNT ROYAL BOND
MADE IN CANADA

THE ROLLAND PAPER CO. LIMITED
High Grade Paper Makers since 1882.
MONTREAL
MILLS AT ST. JEROME AND MONT ROLLAND, P.Q.

MAPLE LEAF
BRAND
ALCOHOL
HIGHEST QUALITY—BEST SERVICE
Ethyl Alcohol — Cologne Spirits
Denatured Alcohol (All Formulaé)
Canadian Industrial Alcohol Co., Limited
MONTREAL
Distributing Warehouses:
Montreal Toronto Winnipeg Vancouver
TRADE MARK

LAKE OF THE WOODS MILLING CO. LTD.
Makers of FIVE ROSES FLOUR
Mills at Keewatin, Portage la Prairie, Medicine Hat
DAILY CAPACITY 13,700 BARRELS
President and Managing Director: FRANK S. MEIGHEN, C.M.G.
Vice-President & Gen'l. Manager, WM. W. HUTCHISON.
Directors:
W. R. ALLAN, R. M. BALLANTYNE, TANCREDE BIENVENU, HON. SIR LOMER GOUIN, K.C.M.G., GEO. V. HASTINGS, WALTER MOLSON, R. W. REFORD, ABNER KINGMAN, J. K. L. ROSS.
Secretary, M. H. HUTCHISON; Treasurer, T. F. McNALLY; Asst. Treasurer, A. C. McMILLAN.

Ames Holden McCready Liquidator Appointed

From Our Own Correspondent.

MONTREAL.—A special meeting of the creditors of Ames Holden McCready was held here this week. Gordon W. Scott was appointed liquidator and W. B. Snow and W. E. Mowat were appointed inspectors.

The recent incorporation of the Ames Holden McCready Rubber Company has no significance as far as the bondholders of the company are concerned. The new company was incorporated to take care of the large number of orders which Ames Holden McCready had on its books for rubbers and other footwear. The move was instituted simply to ensure that the liquidators obtained the full benefit from these orders.

FISHERMEN ARE DOING WELL

SYDNEY.—Although unusually cold weather prevails, the entire absence of ice along the coast for many weeks past, combined with a record run of cod and herring, has proved a bonanza to Cape Breton coast fishermen. Since the first of May, harbor fishermen alone have disposed of $10,000 worth of bait herring which is selling at $3 a barrel.

Public Utilities

BARCELONA BUILDS STRONG RESERVES, SAYS PRES. PEACOCK

Plan is to Guard Against Surprises of the Future

Barcelona Traction is following out a policy of setting up strong reserves to take care of eventualities which have the habit of breaking suddenly in foreign countries. This has been the company's experience in Spain on several occasions, according to Pres. E. R. Peacock, in addressing shareholders at the annual meeting and the hope is to avoid further embarrassments, should they arise in the future as they have in the past by setting aside substantial reserves. In this connection the annual report shows that in addition to making the usual provisions for amortizations of underlying bonds, additional reserves from the operating companies to the total of $1,090,769 were set aside for depreciation being $900,524 from light and power companies and $190,245 from railway companies. The balance sheet shows that depreciation and amortization of light, power and railway undertakings total is $3,208,047 while capital reserves and 8 per cent. secured debenture sinking fund reserve of Barcelona, now applied in reduction of capital account, totalled $5,439,615 less the balance of revenue accounts $946,885 which left $4,492,730.

Mr. Peacock said that a good deal of thought was given to the subject of handling the income account with depreciation. It seemed to be generally agreed amongst those who had been consulted that there should be set aside for depreciation not less than 10 per cent. of the gross. The Barcelona Company over a period of years, had never gone under that amount; it had usually gone over it. Even so, he said, they had done too much. The desire was that the earnings of the company should give a good return on the investment, while at the same time taking care of extensions and renewals. They had not yet reached this basis but they were making progress toward the goal.

Two New Companies

Dealing with the appearance of Energia Electrica de Cataluna and Union de Cataluna. two new companies in the balance sheet, Mr. Peacock said that Energia Electrica was established by a group of French capitalists and at the time of its absorption in 1923, had acquired a business roughly about one-half as large as that of the Barcelona Company. The Union Electrica was a holding company through which the purchase of the Energia Electrica was arranged and which, by being supplied with a sufficient income by the various subsidiaries, was enabled to centralize the operations of those subsidiaries. While a complete amalgamation of the two new companies had not yet been achieved, that being a difficult and complex process, a great deal of uniformity had been secured, which, it was hoped, would work out even more advantageously in the future. Up to the present time the income derived from the Energia had provided for the purchase but not much more. As time went on, however, many additional advantages would be secured from the two companies having been brought together, not a few of which would be found to be quite worth while. When the two systems had been standardized, the earnings would doubtless show a large increase.

Mr. Peacock said that 1924, though a difficult year, was in many respects satisfactory. Business was not good with many important industries, notably textiles, but this was overcome by the growth of small power users. The continued rapid growth of Barcelona City was also a factor.

With the additions under contemplation, the company's plants will be sufficient to care for all demands until 1930. All the improvements which had been made, as well as the establishment of a new auxiliary plant below Camarasa, had been paid for out of earnings. The second unit was now in commission at Camarasa and the third was in process of instalation. The railway section was moving along normally. Arrangements would doubtless have to be made in the near future to bring the trains into the heart of the city underground, instead of on the surface as at present. A contract had been proposed under which the city will build the underground entrance and the company will meet its share of expense by a contribution of a portion of its earnings. Such a method, if reaching the heart of the city, would not necessarily increase the earnings of the company, but it would greatly increase the safety and efficiency of the company's operations.

Ottawa River Power Supplies Eddy's Mill

From Our Own Correspondent.

MONTREAL.—The Ottawa River Power Company commenced delivering power to the E. B. Eddy's new sulphite and newsprint mill at Hull this week. The company is taking 5,000 h.p. which will probably be increased to 6,000 h.p. shortly.

The Ottawa River Power Company is also supplying 7,000 h.p. to the Ottawa Electric Company and has additional contracts which it is expected should use up the whole output of the first unit of 5,000 h.p. now installed.

The power house, however, has been completed to take the second and third units, which can be installed very quickly as conditions require, thus giving an ultimate capacity of 75,000 h.p.

"Power" Subsidiary is Awarded Judgment

From Our Own Correspondent.

MONTREAL.—A subsidiary of the Montreal Light, Heat and Power Company, the Cedar Rapids Manufacturing and Power Company, has just obtained a judgment from the courts by which the company will receive $105,525 damages and also will receive $25,000 which had been paid in error.

The case was in connection with water turbines which had been supplied to the Cedar Rapids company by an American concern. The turbines were, it was claimed, not as represented, and the company, which is operated by the Montreal "Power," received favorable judgment.

GOOD REPORT MAY BE EXPECTED FROM BRAZILIAN TRACTION

Fine Progress Made in Country Though Exchange is Weak

Despite a rather discouraging exchange situation and the Sao Paulo insurrection last year, Brazilian Traction report, which is to be expected in the near future, will show a fairly satisfactory year. The year saw the position of milreis somewhat improved as compared with the previous year, but it still stands at about one-third of the value prevailing prior to the war. The significance of this, in regard Brazilian is that the great bulk of its earnings are from utility operations, the services of which are paid for in milreis. All purchases made by the company outside Brazil and all dividends sent to Canada must be exchanged into dollars or sterling and the prevailing rate of exchange means a material loss.

It is rather difficult, say students of exchange, to see any daylight in the situation, while Sir Alexander MacKenzie, president of Brazilian, says the outlook is purely a matter of conjecture, there are so many factors that enter into the situation. One very important matter now in the public eye which has an influence is the rather disturbed condition of the coffee market.

This is the main product of the Sao Paulo district. According to Sir Alexander the extent of the coffee crops in Brazil will be of decided importance, if successful, as so much at present depends on the coffee crop. The difficulty in this move is said to be the shortage of labor, Italian immigration, up to wartime, quite dependable, having never been resumed.

Country Prosperous

Conditions in the country generally are prosperous. Much money has been made and it is being freely spent. The financial position of the country has been somewhat of a handicap. Large sums were expended on extensive public works. The necessary funds were borrowed. This proved an embarrassing situation when the war broke. It led to the issuance of considerably more Brazilian currency with the result that the amount outstanding is now treble the pre-war total. However, the country has something to show for these works and the continued expansion of the country is bound to work out in the end.

As a result of developments Brazilian Traction has enjoyed a steadily increasing demand for power. In this regard the company has a monopoly. To take care of all demands the company is increasing its hydraulic electrical plants by the erection of two new ones, which will afford eventually an addition of another 200,000 horse-power. In Rio the company completed last September a plant that will give when completed another 160,000 horse power. This plant will be constructed in sections; the initial installation is 60,000 horse power. These facts will indicate that neither of the principal cities in which the company operates are at a standstill. Considerable difficulty has been experienced through the drought, which has been particularly severe since the first of the year. As a consequence, for the first time in the history of the company there has been a shortage of power and will be for several months to come.

NO SPLIT IN STOCK OF "POWER" JUST NOW

Recent Rise Merely a Market Move — Earnings Move Upwards

From Our Own Correspondent.

MONTREAL.—Back and forth fly the rumors which indicate that Montreal Light, Heat and Power will split its stock but for such rumors there is no basis of facts. It is possible that "Power" stock may be split up—but not for some time. Some newspaper dispatches stated that at the directors' meeting held this week no action was taken in connection with the splitting of the stock—this, of course, was true, but it should have been phrased differently, for it leaves the insinuation that a split-up is in the air. Such is not the case.

Montreal Light, Heat and Power Consolidated at present prices gives a yield of under 4.40. What is the secret of its consistent market performance? It is probably the consistency of the company in its ability to increase its earnings from year to year. Every year for more than a score of years—with exception of the year when the company changed its capitalization—the percentage earned on the stock has increased. Consistently the dividends have been increased. Consistently the gross earnings as well as the net have grown. Consistently a portion of profits has gone back into extensions and services, to earn further dividends for the shareholders. At the present moment Montreal Power's gross and net earnings are higher than at any time in its history.

Yet while doing this the company has just as consistently reduced the cost of its power, lighting and gas output to its consumers. It challenges comparison with its rates by providing what it believes is the lowest gas and electric rates on the continent.

Montreal Power has for many years been a low yield stock. Yet those who have invested in it have had big returns, for the annual appreciation in value of Montreal Power has averaged about 14 per cent. for the past eighteen or twenty years. It is because investors look to a continuance of this remarkable performance that Power sells at its present prices. And as earnings are still increasing there is reason for confidently believing that the dividend will not be the only return to purchasers of Montreal Power stock, but at the moment there is no indication whatever of either a split in the stock or a stock dividend.

LOWER POWER RATES

The North Shore Power, a subsidiary of the Shawinigan Water and Power Company, which supplies the City of Three Rivers with electricity, has made a reduction of two cents for light per kilowatt hour. The new charge which goes in effect immediately is six cents as compared with the previous cost of 8 cents per k.w. hour.

MORE INCOME FOR 'PEG ELECTRIC EXPECTED SOON

New Industries in Winnipeg Will Provide More Revenue

From Our Own Correspondent.

MONTREAL.—Additional income for the Winnipeg Electric Company is in sight. This is due to the fact that several new industries are to be established in St. Boniface. The power subsidiary of Winnipeg Electric, Manitoba Power, has already several new signed contracts. Prominent among these new concerns are the new Harris Abattoir, the combined J. D. McArthur and Spanish River pulp and paper plant and a distillery. The first and the last are both under construction.

The sale of additional power means much to the Manitoba Power Co., for, in the past, it has experienced a considerable amount of difficulty in disposing of its output. Another possibility of more revenue lies in the fact that Winnipeg's hydro electric system has had considerable trouble with its dam on the Winnipeg River. Last year the city spent $30,000 in making repairs to this structure and it is stated that, again, this year a further expenditure of $100,000 will be required in order to keep the dam from giving way. Because of this, there is the possibility that the rates in the city may have to be raised to meet this expenditure. Also there is the possibility of a complete tie-up in the city's system which would lead to the purchase of large blocks of power from the subsidiary of Winnipeg Electric.

Improved Position

In contrast to the serious situation confronting the city hydro, it is to be noted that the affairs of the Winnipeg Electric have taken a very decided and improved turn, as the result of the negotiations between the company and the city for the elimination of competitive territory in the power field. These are well advanced, and if concluded will not only be of benefit to the city hydro but will also be extremely advantageous to Winnipeg Electric. Further negotiations are also well under way for the purchase, by the city, of the traction utility of the Winnipeg Electric. These negotiations have been very amicable.

During recent weeks the company has been appraising its property in the city, which the hydro would have to take over, the hydro having completed some time ago its appraisal of the suburban property, which, under the proposed agreement, the company would have to take over.

A new element likely to enter into the negotiations is said to be a proposal of the company that it be permitted to undertake the development of all power sites on the Winnipeg River still in reserve.

The original proposition was that in return for the company abandoning the Winnipeg field, the hydro purchase 50 per cent. of its new power requirements from the Great Falls plant of Manitoba Power until the Great Falls plant was being used to capacity.

The new suggestion reflects the desire and hope of the company to extend its business over large portions of the province either directly through its own transmission lines or by selling power en bloc to Manitoba Power.

During the last few months many conferences have been held in connection with the city of Winnipeg proposed purchase of Winnipeg Electric assets.

In the event of the city exercising its option and taking over the street car system in 1927 as proposed it would assume the ownership of the tramway system, the Pinawa Power plant and transmission line; the electrical office building and River Park. With regard to the valuation of the tramways system, it is learned that the company has placed a tentative and unofficial valuation of $13,000,000 on them, but this figure does not include certain valuable properties such as the Pinawa power plant. It is believed that the company will supply the city at an early date with a valuation of all the assets which it is expected the city will take over and which will provide the basis of future discussions.

Properties Controlled

The conferences between the company and city will be followed with a considerable amount of interest as this situation resembles that of the Toronto Railway to some extent and it will be recalled that the city of Toronto was obliged to pay $118 per share for the outstanding stock of the Toronto Railway.

The company owns or controls through stock ownership hydro-electric plants capable of developing 229,000 h.p., of which 85,000 h.p. is already developed and in operation, 56,000 h.p. of which is developed by its subsidiary, Manitoba Power. The Winnipeg Electric owns a modern 29,000 h.p. plant situated on the Winnipeg River at Pinawa a 12,000 h.p. auxiliary steam plant in Winnipeg, 118 miles of high-tension transmission lines, and a comprehensive distributor system; a modern Koppers By-product Coke Oven Plant, and 128½ miles of gas mains. The coke plant has just been installed, and together with the original gas installation gives the company a capacity of 2,500,000 cubic feet daily. The company also owns a 12-story modern office building and a large amusement park in Winnipeg.

Winnipeg Electric is assured of a substantial amount for its present and future requirements, through ownership of the majority of the capital stock of the Manitoba Power which has a modern hydro-electric power plant at Great Falls, on the Winnipeg River, of an ultimate capacity of 200,000 h.p. This modern hydro-electric plant has installed two units aggregating 56,000 h.p. and a tie-in high-tension steel-tower transmission line with the main transmission system of Winnipeg Electric.

Considerable optimism is encountered in certain quarters regarding Winnipeg Electric, its booster asserting that there is reason to anticipate the declaration of a further dividend on the capital stock. Since last September net earnings have been showing an advance over those of the corresponding period of one year ago. Further improvement in the earnings is expected with the betterment in business conditions in Winnipeg and the province.

WESTERN GROCERS BETTER POSITION

Show Profit After Liberal Provision for Debts at Present Not Collectable

Western Grocers' net profit in 1924 was $46,407, after making provision for bad and doubtful debts, depreciation and writing off on office equipment, as compared with $33,691 in 1923. No mention is made in the report in regard preferred dividends, which were suspended some time ago. President W. P. Riley says that under the unfavorable business conditions in Western Canada in 1924, company did well to come through the year with a real profit, after taking conservative inventories and making liberal write-offs for doubtful and bad debts. In this are included accounts which, due to successive crop failures in some districts have become inactive and, for the present, are uncollectable—accounts on which we hold securities which cannot be realized on at present. Your board of directors considered it good business to delete from the assets all such accounts, regardless of the fact that prospects are encouraging for collection in time of many of them.

He points out that the company is in a strong financial position, the liquid position being decidedly good. Bank loans were reduced $242,510, and trade obligations $50,817 or a total of $293,327. Bank loans are thus $756,000 lower than in 1920. Mortgage indebtedness is down $20,075.

The liquid position is as follows:

	1924	1923
Current assets	3,088,252	3,346,687
Current liabilities	1,691,298	1,984,625
	$1,396,954	$1,362,062

President Riley says the year was a difficult one in the wholesale grocery business in the west. But even with the short crop the indebtedness of farmers in the western provinces was considerably reduced, and this ought to make for improved conditions in 1925."

Profit and loss account follows:

	1924	1923
Net profit	46,407	47,253
Dividend Pref.	......	83,601
Taxes	9,768	4,957
Written off.	14,499	13,562
Deprec.	59,715	30,188
	x37,575	x85,050
Bal. fwd.	69,220	154,270
Surplus......	$31,645	$69,220

xDeficit.

EXPECT GOOD WHALE CATCH

VICTORIA.—Whalers operating out of British Columbia ports this season are expecting a good catch. The stations at Rose Harbor and Naden Harbor will both be operated and operations will commence about the latter part of May.

U.S. STANDS FIRST AS FOREIGN INVESTOR

Has Almost Two and Half Billions in Canada and Nfld. Tourist Expenditure Large

The total volume of United States investments in Canada and Newfoundland, at present is $2,460,000,000 according to statistics just made public by the United States Bureau of Commerce. The total is divided into government guaranteed obligations amounting to $1,060,000,000 and industrial securities and direct investments totalling $1,400,000,000. The amount of American foreign investments in all countries was summarized thus:

	Dollars
Canada and Nfld.	2,460,000,000
Latin America	4,040,000,000
Europe	1,900,000,000
Asia and Oceania	690,000,000
	9,090,000,000

During the calendar year 1924 the United States received more than $600,000,000 in interest and profits as against $567,000,000 in 1923.

Another item of interest to Canada in the same report is the statement that American tourists spent $600,000,000 abroad last year against $500,000,000 in 1923. While it is not stated what proportion of this amount was spent in Canada, it is certain that a fairly large percentage of it came to Canada, and that the amount is increasing each summer.

With regard to the net result of the year's operations the report adds:

> It is impossible to state in one figure the net result from the year's transactions. The outstanding fact is that we got goods and services that we wanted in exchange for goods and services that foreigners wanted. Americans were so prosperous that they could spend $600,000,000 in foreign travel, largely for pleasure, and could give $55,000,000 or more for philanthropic purposes, besides the $300,000,000 sent abroad by foreign-born residents mainly for the support of friends and relatives.

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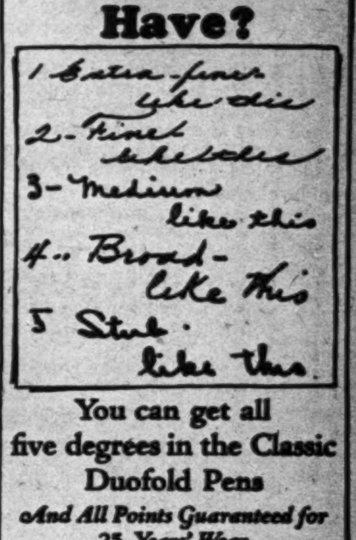
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News of the Mines for the Investor

HOLLINGER EARNED $1.34 PER SHARE; RESERVES HIGHER

Surplus Stands at $1.55 While Power Plant Sale Means Another $1.05

Though Hollinger in 1924 earned 1.34 per share, as compared with 89c in 1923, a 50 per cent. increase, the stock market registered disappointment over the directors' dividend action. Weakness developed and the shares broke below $15. This selling is believe to come from speculators who accumulated considerable stock on the strength that the 13 per cent. dividend would be doubled, whereas the stock has been placed on a 20.80 per cent. basis or 8c. a share every 4 weeks or $1.04 per year, as against 5c. and 65 cents a year. There was also some disappointment manifest over the small increase in ore reserves which at $59,304,000 are $2,500,000 above 1923. There have been reports that ore reserves would be about equal to the market valuation of the stock, or around $75,000,000. This perhaps is due, in a measure, to the fact that in 1923 the increase over 1922 was $15,000,000, and many expected, in lieu of the big milling program which is under completion, that of necessity, the mine would have to continue its heavy development of new ore. However, the fact that in addition to increased reserves the mine was called upon to take care of increased mill tonnage should not be lost sight of.

On the other hand, a close perusal of the Hollinger report cannot but convince that the big gold mine is in a very strong position. Had the directors deemed it advisable at the present time, they could very well have paid the shareholders a substantial bonus. Surplus stands at $7,616,851 or $1.55 for each share outstanding. Of this amount $1,907,000, or about 40 cents a share, was added this year, after all charges had been met. In addition the power agreement which was concluded just before the report was issued, removed this asset from the the fixed column and makes the total expenditure, $5,120,397 liquid, though payments may be spread over a period of years. This is equal to $1.05 per share, which, with the surplus, makes a total of $2.60 a share or equal to 2½ years' dividends at the new rate of payment. On the other hand the 1924 income after the liberal allowance made for depreciation, was not quite sufficient to have paid the dividend at the new rate.T he net amount available for distribution to shareholders, after taxes and depreciation was $5,106,000 while the new dividend rate will require $5,116,000, or $10,000 more.

Heavy Depreciation Provision

As will be seen by the appended profit and loss statement, Hollinger this year set aside $1,162,800 for depreciation. Of this $1,147,928 was for plant. During the year the company expended $667,416 on plant, bringing the total cost up to $6,714,348, while the total written off is $5,670,922, leaving the present valuation in the asset column of $1,043,427, or less than the 1924 depreciation allowance. Depreciation on its interest in other concerns and tailing disposal site, make up the balance of the depreciation allowance. At the same time the company returned to surplus $46,309, which in 1923 was set aside for depreciation on its new power development.

The profit and loss statement follows:

	1924	1923
Net income	$6,586.215	$4,374,487
Dividends	3,198,000	3,198,000
	$3,388,215	$1,176,487
Less—		
Taxes, Ont.	50,142	153,689
Municipal	81,236	67,934
Dominion	187,000	230,000
Depreciation	1,162,800	970.830
Surplus	$1,907,037	*$ 245,965
Bal. forward	5,663,505	5,909,470
Add adj. dep., 1923 on power plant	46,309	....
Surplus	$7,616,851	$5,663,505
Earn. per share	1.34	89c

* Deficit.

Pres. Noah Timmins, after remarking that the year was the most prosperous in the history of the company, deals at length with the power settlement which he says will "reimburse Hollinger for its entire expenditure."

Mining Position

Leaving out the slight dissatisfaction over ore reserves, the mining position of the Hollinger is excellent. Despite rather heavy mining costs, the average per ton is again on the downward move at $4.46, compared with $4.86 in 1923, which was the same as 1921, and $4.25 in 1922, which was the lowest in the mine's record. Increased mill efficiency, undoubtedly due in a measure to the replacement of the stamps, made for quite a cut in costs in this department, while mining charges are also lower.

Costs are shown as follows:

	Labor	Stores, etc.	Total	Per ton 1924	Per ton 1923
Mining	$3,254,157	$1,879,095	$5,133,252	$3.093	$3.2931
Milling	647,365	918,437	1,565,802	.943	1.1436
General	325,149	380,695	705,844	.425	.4227
	$4,266.671	$3,178,227	$7,404,898	$4.46	$4.8594

General Manager A. F. Brigham says that during the year progress toward greater capacity was constant and he makes the point that besides the increase in the ore reserves, the mine was called upon to care for the increased milling demand which was moved up to 5,500 tons daily. His report reveals that active development is going on down to 2,150-ft., while the great bulk of the stoping has been above the 1,200 level.

Ore Reserves

Hollinger production to the end of 1924 stands at $85,065,000 and dividends paid $26,152,000. The great bulk of this production has come from above the 800 foot level. Though now operations are being aggressively pushed in the next 400 feet, that is down to the 1,200-ft. level, as the bulk of the 1924 stoping or breaking of ore was above this level, as shown below:

	Broken Ore, Tons, 1924	Mined 1924	Reserve End 1924
Above 425 ft. ...	408,353	328,614	201,287
Above 800 ft. ...	322,099	704,345	150,936
Above 1400 ft...	1,061,276	625,149	505,198
Below 1400 ...	966	1,666	......
	1,792,694	1,659.776	857,421

The ore reserves show that the great productive area between surface and 800-ft. still contains a great deal of valuable ore. These figures fall just short of $30,000,000, or three-fifths of the reserves set out for the different levels. The reserves for the 600-ft. below the 800 stand at $20,000,000, while no reserves are shown below that level. Below the 1,200-ft. level operations are still what might be called meagre, though the shaft is now below the 2,000-ft. level. The estimated reserves by levels follow:

	Tons	Value
Above 425 level	1,393,028	$15.391.774
Above 800 level	1,281,920	14,116,236
Above 1400 level	2,177,570	20,310,271
Below 1400 level	125,004	1,143,075
Total	4,977,522	$50,961.356
Surface outcrops	106,590	778.803
Ore under $6 in veins	1,434,281	7,564,726
Total, 1924	6,518,393	$59,304,885
1923		56,861,936

The reserves are presented in the report in another way, which bring out an attractive feature of the 1924 report and which may be taken as indicating that values at Hollinger are showing an improvement at depth. In fact this is shown in two ways. First, in the higher average content of the ore mined in 1924 and the material increase in the better grade ore shown in reserves. These figures are as follows:

Vein Averages	1924	1923	1922
Over 10 ...	21.600.147	17,524.850	17,320.114
Aver. per ton	13.13	13.62	13.10
8 to 10	25,650.764	28,982.086	17,856.981
Aver.	9.03	9.05	8.96
6 to 8	3,710.445	696.101	560.778
Average	7.55	6.89	7.32
Tot. proven	$50,961,356	$47,203,037	$35,737,873
Average	10.24	10.28	10.54
Under 6 ...	7,564.726	8.244,136	5,348,594
Average ..	5.27	....	....
Surf. outcrop	778.803	1,414,763	2,183,360
Average	7.31	....	....
Total	$59,304.885	$58,861,936	$43,269,827
Average	9.10	....	....

The increase in Hollinger's tonnage is shown in the table appended below, which indicates an average tonnage per day of 4,559, or nearly 300,000 increase over 1923. General figures on the year are attached below:

	1924	1923
Tons milled	1,659.475	1,366.352
Average per ton	8.39	7.64
Gross value	13,925,813	....
Loss in tailing	496,586	....
Net recovery	13.429.227	10,446,412
Costs	7.404.899	6,639,716
Per ton	4.46	....
Oper. profit	6,027,328	3,806,696
Other income—		
Exc. prem.	145.549	175.850
Invest., etc.	416,328	391,940
Profit	$6,586,215	4,374,486

Earnings for the past eight years follow:

Year	Earnings	Dividend	Surplus
1917	$4,271,260	$ 738,000	$ 982.316
1918	5.908,328	1,230,000	1,358,563
1919	7,063,099	1,722,000	599,290
1920	7,162,611	2,214.000	461,275
1921	10,314,515	3,198,000	828,927
1922	12,824,608	3.198,000	1.948,690
1923	11,014,203	3,198.000	*245,964
1924	13,991,114	3,198,000	1,907,037

* Deficit.

KEORA HAS SEVERAL FINE ORE SHOWINGS

Calcite Lake Property on Gowganda Looks Well to Directors

Directors of Keora Mines have just paid a visit to Calcite Lake property, Gowganda, and came away convinced that the company has a proposition of considerable merit. On the three levels there are six different shoots of silver averaging 2 to 4 inches in width, and the greater part of it will average 2,000 ounces. The 150-ft. level looks particularly promising, according to W. E. Smith, secretary.

There are two machines at work, one stoping ore and the other on development opening up some known veins. Ore is breaking fast. The company is now considering how best to handle the proposition and may decide on a 10-ton concentrator, with a view of shipping the concentrates to Cobalt. This has proven a feasible and economical mode of operation with other concerns in the camp.

Mining List Continues to Record New Low Levels

MONTREAL.—The management of the Bank of Montreal has decided that the business of the summer tourist in Canada requires more attention, and for this reason it has been decided to open a branch at the Chateau Lake Louise. The new branch opens on June 1.

NIPISSING

Nipissing Mines has started work on its claims in South Lorraine.

VICTORIA SYNDICATE

Discussing its operations in Canada, which are carried on in conjunction with Mond Nickel, through Victoria Syndicate, Central Mining Co., South Africa and London, state that active prospecting work was carried on, and although some promising propositions were investigated, no definite business has yet resulted.

BIG MINES SPEND HEAVILY SEARCHING FOR ELDORADOS

Some Are Criticized by Shareholders for Diverting Funds From Dividends

The recent annual report of Nipissing Mines showed about $72,000 spent in 1924 examining other properties. A similar sum was spent in 1923 and doubtless other earlier reports show varying expenditures for this purpose. There has been criticism of some companies for spending so much money on acquiring properties instead of concentrating or the properties they have and thus not diverting funds that should go to shareholders in dividends. Many times the question has arisen as to what amount a company was justified in expending in searching for new mines.

Most of the large operators keep a staff of men in the field examining prospects. For instance, the McIntyre examines about 100 properties yearly and makes it a point of spending some money on at least ore, to test it out. Last year it acquired a block of Gamble Bros. property in Quebec, which if taken up involves the expenditure of $1,000,000 as purchase money. Mining Corporation has been a prolific purchaser of new property. It owns property in Russia, Mexico, Manitoba and various parts of Northern Ontario. Over a million dollars is said to be tied up in purchase money and exploration costs in the idle Flen Flon proposition in N. Manitoba. Besides its own properties in Cobalt it has the Peterson Lake and Little Nip, while in Lorrain it has a huge acreage as well as an interest in Trout Lake Lorrain, which it operates in conjunction with its own group, the land being separated by the Keeley. Mining Corporation has spent a tremendous sum in this regard and spent a large amount in Lorrain before it was assured of success. Some shareholders have been critical of the management in this regard, contending that some of the money should have been used to pay dividends.

Rather a contrast to Mining Corporation's record, has been that of Nipissing, Dome and Hollinger. Perhaps Dome and Nipissing have examined as many properties as Mining Corporation and have done a certain amount of work on some but their new holdings are not large. Nipissing is supposed to have purchased many groups of claims in the Taschota area, but no mention of them has been made by the company's report.

Of late years it has got to be a joke with prospectors in regard the big mining companies examining new properties. They are critical because so many have been examined and turned down. This used to give properties a black eye, but to-day their rejection is accepted as not meaning anything one way or another. It might here be noted that both Nipissing and Hollinger turned down the Rochester property in Porcupine. It was taken up by Canadel on the recommendation of Frank Loring, M.E., and is to-day practically a proven mine. Coniagas turned down Ankerite. More than one company turned down the Walsh in Gowganda.

The past year or so has seen new interests enter into the search for and testing out of various properties. These are exploration companies. There are four important concerns of this kind all representing English capital. Anglo-Canadian Explorers, representing John Taylor & Sons, London; Porcupine Development, representing two large South African companies; Victoria Syndicate, a combination of Mond Nickel and a large South African Co. and Huronian Bell, which is heavily interested in Keeley; Vipond Canadian Lorrain and Keeley extension. They are not only seeking new properties in Northern Ontario, but Dr. Bell, managing director, has men in the field in Manitoba and has quite extensive holdings in Quebec.

These four exploratory enterprises are spending a large sum annually testing out properties. Anglo-Canadian Explorers spend considerable money on Scottish Canadian Porcupine, Queen Lebel, Townsite and other groups in Kirkland and also in Northern Manitoba. They seem to have met with best success in the latter. Porcupine Development is operating the Ankerite, Porcupine, Young Davidson, Matachewan, a property in B. C. and is examining some Quebec groups. Victoria Syndicate examined a large number of properties in Ontario and Quebec and did considerable work on a few groups seemingly without success.

In the North expressions of regret that greater success has not been met with by these latter concerns, are general, as it means much to the country in impressing the possibilities of the country on British capital.

Vipond Can Finance Its Increase From Earnings

Vipond will likely finance new development and mill enlargement out of earnings. Announcement to this effect probably explains the weakness that has developed in the shares. Decision to increase the mill has not as yet been made but when this is decided on it is certain to be cared for out of surplus. The expansion program will likely cost a little over $100,000. The last Vipond report showed $141,247 in the treasury, while profits since then have easily averaged $10,000 a month.

Stock Switchers Busy on Pete Lake Shareholders

Stock jobbing and switching is going on in Peterson Lake shares. This has come to the attention of the president and as a warning he has issued the following statement:

"We have made it our consistent and uniform practice never to advise upon the purchase or sale of shares, and it is only that our shareholders may not act in the dark and sacrifice their holdings unnecessarily that we wish to say that, in our opinion and fortified by that of our engineer, from the mining operations on our property now going on and immediately ahead of us, there is more reason for expecting favorable results to follow from these mining operations than there has been for some years past.

"We, therefore, readily make this statement for the benefit of our shareholders."

SILVER AND OTHER METALS

May—	18	19	20	21
Silver—				
London (d.)	31¼	31¼	31⅜	31¼
New York	67½	67¼	67⅜	67¼
Copper	—	13⅝	13⅝	13⅝
Lead	—	8.00	7.95	8.00
Zinc	—	6.90	6.90	6.90

Northern Canada Power, Abitibi and Hollinger Benefit by Settlement

The settlement of the Hollinger-Northern Canada power dispute means much to the north country. Hollinger is assured of ample power for the operation of its mine and at a lower rate than heretofore applied. Northern Canada Power is assured of a tremendously large customer for its product, while at the same time Abitibi Power and Paper has been able to secure the Hollinger plant on a cost basis, and can now proceed with its enlargement and at the same time will be able to supply power to the Lightning River gold area, where there are several promising properties.

The dispute, which has now been settled, has been of long standing. Hollinger was handicapped for a few years because of power shortage. It sued Northern Canada and at the same time proceeded to develop power of its own. The power company claimed a contract to supply power for the life of the mine. There were two or three rounds of costly litigation. In the meantime Hollinger completed its power plant at a cost of $5,500,000, and Northern Canada built the Des Quinze plant, which assures it of ample power for many years to come, and removes any danger of their being unable to fulfil their power contracts from now on. The final round in the litigation was at hand, appeal to the Privy Council, when the Northern Canada Power changed hands and since then aggressive steps have been taken to effect a settlement. The final disposal of the Hollinger new power development to the Abitibi paved the way for ending the litigation.

MINING STOCK QUOTATIONS

WEEK ENDING MAY 19

	Div. Rate	Yield	High for wk.	Low for wk.	Close May 19	Close May 12	Sales for wk.	Range 1925 High	Range 1925 Low
Apex	....	....	..	..	..	..	....	6½	2½
Algonquin	....	....	2½	2½	2½	2½	6000	3	1
Argonaut	....	....	28½	25	26	27¼	64610	48	22½
Atlas	....	....	3¼	3	3¼	3¼	9500	5	3
Baldwin	....	....	3¼	2½	3	3¼	30500	7	2
Beatty	....	....	..	..	..	..	....	1¼	¾
Barry Hollinger	....	....	49¾	47½	49¾	48	43050	50	42
Beaver	....	....	29¾	29½	29½	29½	9000	37	25¾
Bidgood	....	....	8½	8½	8¾	8¼	5000	16½	5½
Boston Creek	....	....	..	..	..	..	....	7	4½
Buckingham	....	....	..	..	..	..	....	5¾	3
Can. Lorrain	....	....	35½	35	35	36	3700	50	34½
Capitol	....	....	32	27½	32	28	6000	37½	26½
Castle Tre.	....	....	78½	75	75	79	32600	85	71
Clifton Con.	....	....	8½	6½	8½	7¾	64685	25¾	6½
Coniagas	5	15.62	1.90	1.60	1.60	1.60	900	2.30	1.45
Cons. Smelters	6	1.80	83¼	74	83	73½	17204	83¼	48
Cons. W. Dome	....	....	14¾	13¼	14	13½	69670	22	11
Col. Kirkland	....	....	6	4½	5¾	6	31900	10½	4
Crown Res.	....	....	38	26½	28½	32½	56100	54½	26½
Davidson C.	....	....	3¼	3	3	3¼	2500	5	2¼
Dome Mines	2.00	14.65	13.75	13.60	13.65	13.95	974	16.50	12.90
Everett	....	....	8	6¾	6¾	7	12500	10	4¾
Gold Reef	....	....	1¾	1¾	1¾	1¾	500	2	1
Goldale	....	....	16	15	16	16	28941	22½	14¾
Hattie	....	....	½	½	½	1½	48000	2¾	½
Hattie pref	....	....	10	5	5½	8½	120000	67	5
Hillcrest P.	7	8.75	80	80	80	80	50	83	78¾
Hollinger	20.80	7.00	15.50	14.90	14.90	14.95	13840	15.65	13.35
Hunton	....	....	5¼	5	5	5½	7000	8½	4¾
Inspiration	....	....	9	9	9	9	1000	10	7
Indian	....	....	9	8¾	9	8½	8000	17	5
Keora	....	....	12¼	12	12	13	30500	19½	9½
Keeley	24	12.70	1.93	1.89	1.89½	1.89	14320	2.32	1.87
Inter. Nickel, com	....	....	..	..	..	..	....	30½	24¾
Kirk Lake	....	....	40¼	39½	40¼	40	14800	50	35
Lakeside	....	....	10½	10	10	10¼	50350	15¾	8
La Rose	....	....	55	46½	50	46½	70275	55	7½
Lake Shore	20+5	4.40	5.75	5.60	5.71	5.70	4105	6.10	4.51
Lorrain T. L.	5	4.54	..	..	..	..	....	1.34	1.10
Lorrain	....	....	17¾	15¾	16¾	15¾	97200	24	12¾
McIntyre	20	5.68	17.75	17.30	17.60	17.70	2844	18.25	16.00
McKinley	....	....	33¾	29	29	30½	84100	44½	15¾
Mining Corp.	....	....	2.67	2.49	2.63	2.49	6760	3.16	2.47
Moneta	....	....	14¼	13	13½	14¼	3500	18¼	13
Newray	....	....	20	19½	20	20	4500	28½	19½
Nipissing	12+6	18.00	5.10	5.00	5.00	5.10	275	6.80	4.65
Night Hawk	....	....	25	25	25	25	100	49½	24
Ophir	....	....	5	4	4¼	4	50500	7¾	3
Pete. Lake	....	....	7¾	7	7¾	8	9000	12	7
Porc. Crown	....	....	3½	3½	3½	3½	550	8	3½
Premier Gold	32	13.33	2.40	2.37	2.40	2.40	1000	2.58	2.15
Preston E. D.	....	....	7¾	7	7¼	7¾	12000	12	7
Teck Hughes	....	....	1.40	1.36	1.37	1.39	18125	1.49	1.23
Thomp. Krist	....	....	..	..	..	..	....	3	1
Timiskaming	....	....	18½	15	18	16	4800	30	15
Tough Oakes	....	....	26	20	25	25	40950	45	20
Trethewey	....	....	19	18¾	18¾	19¼	9800	22	16½
Victory Silver	....	....	17½	16½	16½	17½	10500	31	14
Vickers	....	....	5¼	4¼	4¼	5	7000	20½	4
Vipond Cons.	....	....	1.18	1.10	1.12	1.17	27775	1.42	1.10
Wasapika	....	....	1¼	1½	1½	1	2500	3¾	1
West Tree	....	....	2¾	2¼	2¾	2¼	12500	5	2¼
Wettlaufer	....	....	4¾	4¼	4¾	4¼	5500	16	4
Wright-Har.	20	4.59	4.55	4.35	4.35	4.60	1100	4.95	4.15
Oil Companies									
B. A. Oil	2+2	6.41	40¾	38¾	39½	38¾	2542	41¾	36½
Imperial	25c	8.20	30¼	29¾	30¾	30¾	1709	34¾	27¾
Inter. Pet.	25c	.96	26	24¼	25	24	[illegible]	28¾	22
Continental	25c	1.01	25¾	24¾	24¾	24¾	205	29	22½

ARGONAUT OUTPUT AT LEAST $30,000

Company Has Holdings in Quebec That Promise Much

From Our Own Correspondent.

MONTREAL.—Argonaut is hitting its stride. In the first 15 days of this month the company turned out 15,000 in gold—the total for the month will be in excess of $30,000. To extract this gold, the total expenses, and this includes the fixed charges and bond interest, amounted to $24,000.

The mill which has been recently overhauled is now in first class shape and next mouth the management are confident of producing an additional $5,000 in gold. The gold content of the ore going through the mill averages $12 per ton and it is considered likely that additions to the mill will be considered shortly. As the mill has been designed with the idea of gradual enlargement, this can be accomplished at a minimum of cost. The new power line has removed a source of much anxiety to the directors and the company is assured of a plentiful supply of power.

Work on the Argo's property situated in Rouyn has met with favorable results. The total holdings here consist of 960 acres and are adjacent to the Amulet Mines which have had such startling showings.

Barry Hollinger Has This Week Joined Producers

Barry Hollinger's mill got under way this week, thus adding another gold producer to the north. The proposition is one of selective mining. The gold occurs largely in quartz, and the mineralization is confined to narrow widths in some places. The ore has to be carefully sorted before being sent to the mill. The mill practice will also be different from the other mines of this country, in that the mineral will first be concentrated before being cyanided.

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Saturday Night's Mining Correspondent in their issue of May 16th, says:—"There is every evidence that the Rouyn Mining field is perhaps the most extensive ever found in Canada. Moreover, there are present indications that point to the deposits of copper and gold in Rouyn Township being of such great magnitude as to make one of the most important mineral discoveries in recent years." Write us.
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The Trustees of Moose Jaw School District No. 1, Moose Jaw, Saskatchewan,

are prepared to receive bids for the purchase of a $93,000.00 debenture issue. 5½%. Thirty years. Repayable equal consecutive annual installments of principal and interest combined. Alternative bids should be rendered. 1st. For debentures and interest repayable in Canada only. 2nd. Repayable in Canada or United States (New York) at holders' discretion. Tenders to be submitted to the undersigned by noon, June 2nd, 1925. (Signed) E. B. R. Pragnell, Central Collegiate Institute, Moose Jaw, Saskatchewan.

DOMINION BANK NOW HAS CHAIRMAN OF THE EXECUTIVE

(Continued from page 1)

Matthews, Blackwell, Limited, of which he was vice-president, was disposed of in June, 1919, to Allied Packers, Inc., of Chicago. He is chairman of the Toronto General Hospital, president of Toronto General Trusts Corporation, vice-president of the Casualty Insurance Company. He was elected a director of the Dominion Bank in 1921.

The appointing of a chairman of the board is in accordance with British rather than American business custom. In the United States the large financial and industrial institutions will frequently be found with a number of vice-presidents, but these are in effect managers of various branches or departments rather than executives as they are not members of the board of directors. As to what may be the definite division of responsibility as between the president, the chairman and other executives, that is usually a matter for arrangement by the directors, being defined either by resolution or by-law.

PIG IRON OUTPUT

For April production of pig iron in Canada amounted to 60,065 long tons, a slight decline from March output of 63,932 tons. In March the whole output consisted of basic iron, while in April this grade dropped 17 per cent. to 52,851 tons; 2,899 tons of foundry iron and 4,315 tons of malleable iron were also produced, the Dominion Bureau of Statistics reports.

Current Events in Banking World

COMMUNITY HALL AS A FACTOR IN BUILDING TRADE

Of Interest to Bank Managers Who Share in the Business

No class of business men is more interested in community business building than the managers of the banks located there. The business of the bank is a direct reflection of local conditions. The following article tells what Newcastle's Community Hall has done for that place. It is one of a series appearing in Dry Goods Review, a sister publication of The Financial Post.
—J.W.T.

Some towns and villages throughout the country are inclined to put their foot on the soft pedal when referring to their respective accomplishments and outstanding developments. Not so Newcastle, Ont., a town of 650 or more on the lakeshore road between Bowmanville and Port Hope, on both the C.P.R and C.N.R. The citizens have a fine edifice of an unusual architecture and they advertise it to everybody passing that way.

The building referred to is the Newcastle "Community Hall." When merchants and citizens talk about it they use superlative. And well they may because it is undoubtedly the finest Community Hall in Canada among centres anywhere near the population of Newcastle. Not only that, but since its erection it has been the means of putting new life into the town, bringing in conventions of one kind and another that have meant additional revenue to the merchants, as well as uniting the people of the district into one big family, where social functions, dances and movies are held to the benefit of the entire community.

The Community Hall in Newcastle was erected and presented to the people by a wealthy citizen who was born years ago in the vicinity and who, after he had gained distinction in the finance world, felt he would like to do something for the home town. He is Chester Massey. But the local merchants and citizens of the village maintain the hall and look after the various functions that are held in it. This is done by a committee of five, termed the Board of Management. The Reeve of the town is chairman of this committee.

The place on which the hall was built used to be a hole in the ground. It was an eye-sore not only to the local people, but to tourists, who passed through. Its erection has provided a splendid opportunity for Newcastle to bring in conventions, to house different societies, such as the Masons and Rotarians. It includes a fine library that is assisting in the general education of the community; and the Post Office. It has a fine large auditorium with a seven hundred seating capacity. The council meets in it. The Post Office, the Masons, the library board, all pay rent for the space occupied and the proceeds are used by the Board of Management for maintenance of the building.

Retail Merchants Benefit

At the time Dry Goods Review representative visited the town there was a big convention of fruit growers being held in it. There were perhaps a couple of hundred from out of town. The women folk prepared a banquet which was charged for at so much per plate and at little cost as each contributed her particular portion of the food stuffs. All this naturally helps the food retailers of the town.

It helps, directly, the merchants selling dry goods because the more frequent association of the men and women of the town and district means more up-to-date clothing for themselves.

Since the building was erected—August, 1923—there have been a number of agricultural meetings held in the hall which have attracted large numbers. Most of the retailers in Newcastle have general stores and the grocery and dry goods and men's wear are the chief beneficiaries on occasions of this kind.

"Since the community hall was opened," one merchant says, "there has been 100 per cent. increase in functions held." In fact, prior to that time none of these conventions were coming to Newcastle, so that the revenue indirectly secured has been that much increase in business.

Every Saturday night a moving picture show has been put on in the Auditorium. This has attracted the people from the surrounding district to Newcastle, where they make their purchases. The hall, too, has developed an orchestra, which practises there and plays at the various concerts and banquets. This has meant an all round better community spirit. It has been the means of advertising Newcastle to the people who should deal with the merchants there.

IMPERIAL BANK

The Imperial Bank announces the following changes: Athalmer, sub branch to Golden, B. C., was closed on April 5, 1925. J. W. McDiarmid, formerly accountant, Athabasca, Alta., has been appointed accountant Wetaskiwin, branch. J. R. Bunn, formerly accountant, Wetaskiwin, Alta., has been appointed accountant, Hastings and Abbott branch, Vancouver, B. C.

CHEQUE TAX REVENUES

OTTAWA.—The stamp tax on cheques, receipts, etc., netted the government $9,321,890 in the fiscal year just closed, it was stated in the House of Commons in answer to a question. Records do not show how much of this was collected on stamped receipts.

Not Much Additional For Home Depositors

What additional sum may be made available by the liquidator to the depositors of the defunct Home Bank depends very largely on what realization is made of various assets. If some major litigation now in progress goes against the bank's liquidator, very little, if any, more will go to the depositors. Under the most favorable circumstances it is not expected that there will be more than another 10 cents on the dollar for distribution.

Staff Gossip

R. A. S. McLaren, Bank of Montreal manager at Reston, has been transferred to Selkirk.—Plaindealer, Souris.

* * *

J. W. G. Watson, of the Bank of Montreal, has been transferred to Toronto. D. T. Neil of Montreal, will succeed him.—Journal-Angus, St. Marys.

* * *

J. A. Hood, who has been acting as discount clerk in the Canadian Bank of Commerce here, has left for Regina, where he will fill a similar position on the staff at that point.—Enterprise, Yorkton.

* * *

H. St. G. Lee, for six years manager of the Bank of Montreal at Prince Rupert, has been advised that he is to be transferred to the Calgary office where he will take up the duties of assistant manager.—Progress, Chilliwack.

* * *

Harry Gyles, of the local Union Bank staff, has been transferred to the Morden branch.—The Times, Deloraine.

* * *

A. Mattheson of McTaggart, has been transferred to the local branch of the Weyburn Security Bank, to assume the position left vacant by the departure of P. Forsyth.—Herald, Yellow Grass.

* * *

C. K. Temple, who was manager of the Trenton branch of the Molsons Bank for about eight years, and recently manager of the branch here of the Bank of Montreal, has been transferred to, the Bank of Montreal branch, King and Beach, East Toronto, whose manager has retired, and will leave here about the end of the month.—The Sun, Trenton.

More Branches Closed Than Opened in April

Seven new branches were opened by the Canadian chartered banks during the month of April, and nine branches closed, a net loss of two branches during the month. Following is a list of the branches opened and closed:

Opened

Canadienne Nationale—Rouyn, Abitibi, Paspebiac, Quebec, (Haute-Ville.)

Nova Scotia.—Thirteenth Ave and Granville St., Vancouver.

Provinciale.—Chicoutimi, P. Q., St. Thomas de Joliette, P. Q., (sub-agency to Joliette.)

Closed

Commerce.—Wallaceburg, Ont.; Delisle, Sask.; Cumberland, B. C.

Imperial.—Athalmer (sub. to Golden, B. C.)

Montreal.—Dundas and Mavety Sts. Toronto; Park Avenue, Montreal; Queen St, Fredericton, N. B.; Jasper Avenue, Edmonton; Hastings and Richards Sts., Vancouver.

Royal. — London, Ont., Hamilton Road; Black Lake, Que.; Cardigan, P. E. I.

Union.—King St. E. and Spadina, Hamilton; Alderson, Alta.

Exchange

One thing that has been the centre of interest in relation to foreign exchange, possibly more than anything else, during the week is the effect on Britian's gold supply of the pound's return to par. Yesterday's cables reported the export of about £100,000, but there was approximately £900,000, paid into the Bank of England at the same time. The source of these imports which have amounted to about £2,510,000 within a week has not been divulged. At any rate the danger of a drain of gold seems remote.

Canadian funds at the moment are quoted at par in New York.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
May 14	Par	Par	1 13-16	1 3-4
May 15	Par	Par	1 13-16	1 25-32
May 16	Par	Par	1 25-32	1 25-32
May 18	Par	Par	1 25-32	1 3-4
May 19	Par	Par	1 25-32	1 3-4
May 20	Par	Par	1 13-16	1 25-32

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
May 14	4.85¼	5.22	4.09½
May 15	4.83¼	5.20	4.06¾
May 16	4.85¼	5.20½	4.07¾
May 18	4.85 5/16	5.19	4.05½
May 19	4.85½	5.15	4.03
May 20	4.86 1/16	5.16	4.05¾

Weekly Bank Clearings

(In comparison with the same week last year.)

EASTERN CITIES

	May 15, 1924	May 14, 1925
Halifax	$ 2,665,879	$ 2,996,608
St. John	2,581,214	2,524,175
Moncton	763,581	804,562
Sherbrooke	787,884	686,470
Quebec	4,912,672	5,771,266
Montreal	108,141,978	99,018,083
Ottawa	6,357,706	6,787,267
Kingston	803,428	661,345
Peterboro	877,917	902,793
Toronto	98,849,672	97,909,395
Hamilton	4,708,237	4,713,172
Brantford	829,330	876,006
London	2,598,163	2,416,950
Kitchener	1,011,631	857,484
Windsor	3,190,371	3,238,964
Total East.	$239,079,663	$230,164,540

WESTERN CITIES

	May 15, 1924	May 14, 1925
Fort William	$ 938,793	$ 935,382
Winnipeg	47,574,912	51,940,382
Brandon	529,433	555,824
Regina	2,801,527	2,766,518
Moose Jaw	894,128	863,421
Saskatoon	1,428,182	1,352,614
Prince Albert	296,544	283,185
Lethbridge	462,803	410,306
Medicine Hat	388,279	254,243
Calgary	6,624,124	4,997,112
Edmonton	4,553,583	3,714,300
New Westminster ...	652,552	585,138
Vancouver	16,865,730	15,188,767
Victoria	1,859,620	1,986,165
Total, West	$ 85,870,210	$ 85,833,357
Grand total	$324,949,873	$315,997,897

HOW BRANCH BANK IDEA GROWS IN N.Y.

Number of Banks Decreasing By Amalgamations But Number of Offices Increasing

NEW YORK.—The efforts of banks and trust companies in New York City to keep pace with the metropolis' rapid growth and to meet the ever-increasing demand for banking accommodation in that city are apparent in several ways. In recent years the tendencies toward consolidation and the establishment of branch offices have been especially striking. These tendencies are closely related, since many branches have come into existence through consolidations. As a rule the main office of one of the merged institutions becomes a branch of the other.

The trend toward integration is reflected in the fact that, although the aggregate financial strength of New York City banking institutions is expanding, their number is declining, according to the current issue of the Guaranty Survey, published by the Guaranty Trust Company of New York. At the beginning of this year the combined capital of New York City banks was $451,861,585, the combined surplus was $904,527,000, and total deposits were $11,692,623,000. These figures applied to 316 banks, including 55 national banks, 142 state banks, and trust companies, 66 savings banks, 52 private banks, and the Federal Reserve Bank.

A year earlier the combined capital was $408,922,000, the combined surplus was $873,707,000, and total deposits were $10,036,055,000, while the number of banks was 336—including 52 national banks, 153 state banks and trust companies, 66 savings banks, 64 private banks, and the Federal Reserve Bank. Combined capital, accordingly, increased during the year by about $43,000,000, surplus by $31,000,000 and deposits by $1,657,000,000, while the number of banks was reduced by 20.

Twenty years ago only two banks with main offices in the financial district maintained uptown offices. Today more than 40 banks have one or more local branches. Some have numerous offices scattered throughout the city, while others, including several of the largest Wall Street institutions, have limited themselves to one or two branches located at strategic points uptown.

The number of branch offices in the city is not far from 270, or about 20 more than a year ago. These are divided, roughly, as follows; branches of national banks, 60; branches of state banks, 160; branches of trust companies, 45. There are also a few branch savings banks.

The branch banking movement especially is significant in that it reflects not only the growth of the city, but the gradual northward movement of activity and the marked development of business centres in sections far removed from the main financial district.

OTTAWA TRUST-BUSTING AGAIN AS THE ELECTION TIME NEARS

(Continued from page 1)

combine at Winnipeg. In this instance the preliminary inquiry was begun on October 8 last, and the report of the commissioner is dated February 28. Mr. Campbell found that coal dealers of Winnipeg were not guilty of violating the act.

In the third case, the complaint had to do with an alleged potato combine in New Brunswick, and the investigation is still proceeding. The inquiry was begun on November 14 of last year, and is being carried on by Harry Hereford, registrar under the act.

Encumbering Statute Books

Such is the Combines Investigation Act and such are the uses which have been made of it by the government that created it. If the need for it is no greater than is suggested by the case made out for it by the government, it would appear that it would have been much better if the act had never encumbered the statute book and cast a blight of uncertainty over the business world.

If no greater abuses call for removal than have been revealed in the investigations held up to date—and presumably the government has taken action first in the most serious complaints that have come before it—what harm would have been done by leaving the evil to be dealt with under the well known provisions of the criminal law? With these provisions the business world is familiar and they do not constitute a menace to enterprise. The same cannot, however, be said of this new engine of investigation and punishment which was created only two years ago. In the most important case which has been inquired into under this law, the investigation dragged on for over eight months; and meanwhile the fruit and vegetable trade had hanging over it an uncertainty that cannot have failed to produce confusions and discourage business. Moreover, the end of that uncertainty has not yet come; and it will not come until the prosecutions just started in the courts have been finished and the commercial world knows how the courts interpret the new law.

Obstacles to Growth

These are considerations that cannot be treated lightly by any person who is interested in a return of prosperity. Uncertainty is one of the great influences that goes to check the enterprise of business men, and without business enterprise the return to better times is likely to be long delayed. In these circumstances it would naturally be supposed that a government, which had the interests of the country at heart, would remove all possible obstacles to the growth of trade and commerce instead of throwing a new "monkey wrench" into the industrial and commercial machine.

It would be a very serious thing for the country, if—for the purpose of getting a little cheap popularity at election time—the government were lightly to impose further trammels upon the business of the country.

Unfortunately the proceedings under the Combines Investigation Act suggest that this is the very thing that has been done, and this is not a kind of political levity that is likely to be condoned by the business men of the Dominion.

Immense Powers Granted

The act which was passed by Parliament in 1923 is a powerful engine of inquisition, and it opens with a sweeping definition of what constitutes a combine.

The machinery of the act may be brought into operation on the complaint of "any six persons, British subjects, resident in Canada, of the full age of twenty-one years, who are of the opinion that a combine exists or is being formed."

This is not the only means, however, by which the machinery may be started in motion. There is in the Department of Labor an official known as the "Registrar," who is the permanent centre around whom the law revolves. This registrar may start an inquiry on his own motion, whenever he "shall have reason to believe that a combine exists or is being formed."

Or, again, "whenever so directed by the minister," an investigation may be started; and in any of these three cases the registrar has all the powers of the inquisition conferred on him by the act.

How Procedure Moves

If, in the exercise of these immense powers, the registrar finds that a prima facie case has been made out that a combine exists, then the next step is that the governor-in-council—the cabinet—appoints a commissioner to hold a full investigation.

After a commissioner has completed his investigation—which may, judging by experience, occupy a long time and meanwhile keep the business concerned in a state of uncertainty and turmoil—he presents his report to the minister of labor. Then the minister may, at his discretion, publish the report in whole or in part. The investigation by the commissioner is generally conducted in private, but may be conduced in public at the discretion of the minister.

At this stage arises the question as to the penalties imposed under the act.

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PUBLISHED BY
THE MACLEAN PUBLISHING CO., LIMITED
143-153 University Avenue, Toronto.
MONTREAL Southam Building, Murray R. Chipman; WINNIPEG, 810 Confederation Life Building; NEW YORK, Room 1606, 1133 Broadway; CHICAGO, Room 1004, 168 North Michigan Boulevard; GREAT BRITAIN—London, The MacLean Co., of Great Britain, Ltd., 88 Fleet Street, E. C., E. J. Dodd, director.

The detailed circulation statement we submit is the sworn finding of the Audit Bureau of Circulations, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A.B.C. Inspection.

THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

TORONTO, MAY 22

THE CONVENTION SPIRIT

ARE conventions of business men affairs to be taken seriously or are they primarily meetings of good fellows, social affairs, in fact, with the jazz note dominant? The question is suggested by the programme of the Canadian Manufacturers' Association annual meeting in Hamilton. In four days, there will be four half-day business sessions and a dinner. For the rest of the time the manufacturers will play golf and motor, mainly, and meet their friends from other parts of Canada.

Contrast in convention programme-making is afforded by the conventions of Canadian bond dealers and American investment bankers. The Canadians view their annual gathering chiefly as a social gathering; there are few speeches and reports and little business done—in the convention sessions at least. The American investment bankers make a formal business affair of their convention and incidentally make it an event for nation-wide publicity to investors and the public.

In a recent convention in Hamilton, that of the advertising clubs of Hamilton, Buffalo and nearby cities, mornings, afternoons and evenings were given over to business. A book of tickets was sold for the various sessions. The view was taken that something worthwhile was being given and should be paid for. Incidentally the man who paid good money to get into a certain session felt like turning out to get his money's worth. It was a business men's convention run on business lines. It was felt that the business man who came to the convention wanted to get something for his time and money.

Conventions can easily be made a waste and even a nuisance by too much emphasis on play and too little on work. Four short sessions of work in a four-day convention seems much waste effort at a time when the country's greatest needs are solid effort and communion of thought.

INTEREST RATE AND POWER COST

THE extent of the increase in the cost of power due to a small increase in the cost of money is perhaps not generally realized. This increase is specially marked in regard to hydro-electric power, because the fixed charges on capital are so great a proportion of the total cost of production.

In an article in Canadian Machinery H. E. M. Kensit, M.E.I.C., M.A.I.E.E., Ottawa, shows that an increase of one per cent. in the cost of money increases the cost of power at the switchboard by 17.2 per cent:

First assume that the cost of raising the capital, i.e., discount, brokerage, legal expenses, etc., is 5 per cent., and that the interest to be paid is 5 per cent. Then the total capital expenditure would be made up approximately in the following manner:

CAPITAL EXPENDITURE

	Per H.P.
Cash cost of development and plant	$90.00
Engineering and contingencies 10 per cent.	9.00
	99.00
Cost of capital, discount, brokerage, etc., 5 per cent.	4.95
General administration and office expenses during construction 1 per cent.	99
Insurance against accident and fire, unforeseen damage, legal expenses, etc., 2 per cent.	1.98
	$106.92
Interest during construction for two years, say 5 per cent. on half the amount	2.67
	$109.59
Working capital, say 15 per cent. of total capital	16.45
Total capital per H.P.	$126.04

If 6 per cent. is substituted for 5 per cent. both in the cost of raising the capital and the interest paid for it, all other items remaining on the same basis, the total capital required becomes $127.70 or 1.32 per cent. more.

The total cost of producing power at the switchboard under the above conditions might be from $12 to $15 per h.p. year—take $13.50 as an average cost and that 80 per cent. of this is due to interest charges at 5 per cent. per annum and 20 per cent. to other charges. Then interest is $10.80, other charges $2.70, total $13.50 per h.p. year.

If now we assume 6 per cent. (instead of 5 per cent.) throughout, viz., in cost of raising capital, interest during construction and annual interest, 80 per cent. of the $13.50, i. e., $10.80 is first raised on capital account in the ratio of

$$\$10.80 \times \frac{\$127.70}{126.04} = \$11.94$$

and this is again increased for annual interest in the ratio of

$$\$11.94 \times \frac{6}{5} = \$13.12,$$

and to this must be added the same $2.70 for other charges, so that the total cost per h.p. year on a 6 per cent. basis becomes $15.82, as compared with $13.50 on a 5 per cent. basis, an increase of $2.32 on $13.50, or 17.2 per cent.

Thus the increase in the rate of interest from 5 to 6 per cent. increases the cost of the power produced at the switchboard by 17.2 per cent.

The attitude of the Hydro Electric Commission in Ontario has been that the Hydro muncipalities really owe nothing to the province because all that the province has done has been to guarantee their bonds. Taking this statement at its face—and it is far from the facts because the provincial government has done extensive direct financing in addition to extending guarantees—The Financial Post has always contended that the Hydro municipalities owed to the province and to the people of Ontario generally a very big debt for the use of the provincial credit apart from the fact that waterpowers have been used without paying rentals and power plants have been built and operated without paying taxes.

Not only is it a matter of serious doubt whether the municipalities could even have raised the necessary funds on their own credit but it must be obvious that the interest rate would have been higher, at least to the extent of the difference between what is paid by the municipalities and what is paid by the province on borrowed funds.

In view of this use of provincial credit and the securing of funds at a price based thereon, it is of interest to know what this has meant to the Hydro in the financing of its undertakings and in the rates which have been charged to power consumers. Particularly is this the case when Hydro municipalities are mentioned as considering shouldering the financial burdens of their projects and cutting loose from the province; even if the credit of the municipalities would stand the strain, there is the question of the materially higher interest rate which would have to be paid.

BETTER TRADE AGENTS

HANCE LOGAN, M.P., who has been traveling around the West Indies studying the possibilities for Canadian trade, feels that Canadian trade agents should be taken under the jurisdiction of the Civil Service Commission. He feels that discretion should be given to the Minister of Trade and Commerce to appoint whom he will as trade agents, which would give him an opportunity of appointing men of business experience to the posts. At the present time it is provided that trade commissioners, when appointed, shall not be over thirty-two years old and, as they are required to have a good university training, this makes it practically impossible for them to have served a term in the world of business.

Trade commissioners should be business men, able to sell Canadian merchandise, in Mr. Logan's opinion. Callow youths covered with gold medals are not suitable.

THE MOTOR AND THE RADIAL

THE statement is made by Hon. G. P. Graham that the motor car is cutting into the passenger business of the railways to the extent of $24,000,000 per annum. The extent to which the business of the radial railways, which handle short distance traffic only, is being effected must be relatively much greater.

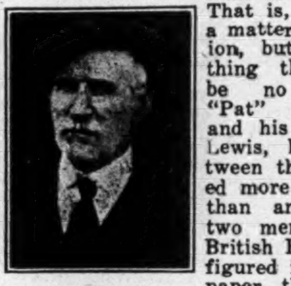
When the Sutherland Commission was appointed by the Drury Government to inquire into the ambitious radial scheme of the Ontario Hydro Electric Commission, The Financial Post supported this course on two main points. First, that the steam railways provided the territory with transportation service, that they could handle more business if it was available, that radials could only be a success if they took the business from the existing lines and that this would further add to the deficits of the National Railways already owned by the people. Second, that with the rapid strides in private and public transportation being made by the use of the touring car, the motor bus and the motor truck, it was a question whether the total amount of rail traffic would not decrease rather than increase in the next few years.

Developments have thoroughly justified the stand taken by The Post and the course of the Drury Government. Had not the Sutherland Commission been appointed to check up the Hydro proposals there would undoubtedly have been launched a radial-building program involving up to $200,000,000 which would never have been able to show anything but deficits under the prevailing transportation conditions and would have further complicated the steam railway problem as well.

Pat Connors, King in Overalls, Rules the Stavenger of America

He is Canada's Leading Expert in Sardine Packing and Has Built a Business Worth a Million on the Foundation of a Fish Net and a Rowboat

By FLOYD S. CHALMERS.



P. CONNORS.

"'Pat' Connors knows more about packing sardines than any other man in the British Empire." So a St. John man said to me. That is, perhaps, a matter of opinion, but of one thing there can be no doubt: "Pat" Connors and his brother, Lewis, have between them packed more sardines than any other two men in the British Empire. I figured it out on paper the other day that they have packed in the neighborhood of three billions and a half of fish, which is quite a net full. And in the process of doing that they made a row boat, a hogshead and a fish net grow into a business that is worth close to a million dollars as a going concern. They took a charming little cove on the shores of the Bay of Fundy, with maybe a shack or two giving the only indication of human existence, and grouped around it a collection of cannery buildings, fishing wharves, store, hotel, movie show and fishermen's houses. They made Black's Harbour more than a spot on a map; they made it the Stavenger of America.

Brother Lewis isn't in the business now. For many years he gave Connors' Brothers driving force, gave a bit of flare to its work, thought of new ideas. Patrick W. Conners kept going steadily ahead, getting in boatloads of tiny herring and shipping out carloads of sardine filled tins. Outwardly they were a well matched pair, for what one lacked the other had. But their natures were too diverse. Patrick's steadiness clashed Lewis' dreams. Patrick was the money maker of the team; Lewis took too many turnings. The life-long partnership broke up a year or two ago. Lewis went into business for himself. Two enterprising and successful St. John business men went in with Patrick to provide new life and new capital and to insure continuity for the business at Mr. Connors' death. In the shuffle, investors up in Ontario got to learn something about the cold business facts of a business that is a romance of the New Brunswick coast.

Coast Fishery Romances

There are many such romances on the Fundy shore; stories of little fishermen's boats growing into big businesses. Motoring the other day, through fifty miles of slush and mud to get from St. John to Black's Harbour, we passed a clam-cannery; just a long wooden shed in a rock bound inlet. We stopped to meet the proprietor and to eat fresh, hot, steamed clams, dug out of the tidal beach the same morning, now being steamed, preparatory to going into cans to be shipped all over Canada for those who have learned that clam chowder is the most succulent dainty on any bill of fare and that clam bouillon (here thrown away by barrels for want of a market) is one step ahead of chicken broth for well man or ill.

A boat was bringing in clams by the barrel; a dozen girls were opening and canning them. Real wealth was being dug from the sands, supporting a little community of half a dozen houses. The store was perfect; clean counters, shelves of packaged goods, an adding machine, a National cash register, a cheese slicer, Toledo scales, and last week's "Canadian Grocer." There are many such places along the coast, but the largest is the industry where Pat Connors rules as a king in overalls.

Pat Connors has taken millions of dollars out of the waters of the Fundy where he played as a barefoot boy. His father was a British soldier; one of a regiment that was given a settlement of land at St. Andrew's early in the last century. But there wasn't much money in farming and while fishing was little more profitable in those days, the elder Connors decided to try and make a living out of the salt water. He moved up the coast a few miles and built his cabin in a cove that formed a beautiful natural harbor. Here Pat Connors was born and here has lived for his 63 years. He fished as a boy and as he and his brother grew to manhood they joined the other fishermen up and down the coast, netting fish, salting them and taking them by boat to St. John or to American ports to ship to whomsoever would buy.

They go Into Sardines

About thirty years ago came the vogue for little fish packed in oil, called sardines by some strange perversion of the name Sardinia. The name has little significance in view of the fact that while little fish of one kind and another are packed in oil in nearly every country in the world, including Sardinia, the great business at the present time is done from Scandinavia. A Dutchman came to Bay of Fundy and set up a fish cannery on the American shore. The Connors boys sold fish to this cannery; baby herrings that they netted in great weirs and took them by boat to the Dutchman's cannery.

After a time Pat and Lewis Connors decided to try their own luck in putting up fish in tins. They bought some tins, a strip of solder, a can of olive oil and started in the sardine business. Their fish were not as small as the Norwegian fish but they were more tasty and they were easier to get at. The Connors could catch their fish within sight of their houses; the Norwegians had to go hundreds of miles from home to fish. The brothers found they could compete successfully; they began to look after the packing operations themselves and to buy the fish in hogsheads from other fishermen. They added a few people to their staff every year, built them homes and gave them a store. Then when automatic canning machines came in they adopted them, and so for ten or fifteen years Conners Brothers' business has been done on a basis of big operations, everything standardized, everything clean and modern. Henry Ford has, unwittingly, been the guiding star of the business.

The business was built without salesmen. Every spring "Pat" Connors would survey the coming year's operations and consider ways and means of enlarging the output. He would get out a map of Canada and find places where his sardines were not being sold. Then he would call on his bank manager and say: "I wish you would get your manager in Winnipeg (or Vancouver, or North Bay) to find me a good agent for his territory." And when an agent was suggested, Connors would send him a few samples and a price list and ask him to see what he could do. In this way, a business was built up to cover Canada and all was done by mail without salesmen and with advertising in trade papers only. Foreign business was obtained in the same manner through banking agents, trade commissioners and agents recommended by them. Not until the business was reorganized a year or so ago, were broader sales and advertising methods adopted.

The Present Big Business

Now the plant turns out over 16,000,000 tins of sardines every year. It is the largest sardine plant in the British Empire. It has packed over 90 per cent. of the sardines that have been packed in Canada and now sells 75 per cent. of all that are sold in this country.

Sardines are being sold to Britain, France and other countries that were once the traditional market of Norwegian sardines. Kippers, clams and other sea-food are packed too.

Ten thousand hogsheads of fish are packed yearly into over 16,000,000 tins. The fish would stretch fourteen thousand miles, laid head to tail and the cans would stretch from Black's Harbour to Toronto.

The business has grown beyond the original ideas of the two fisher lads. A modern factory capable of turning out 45,000,000 tins of sardines daily is operated. There is a fleet of ships to gather sardines; a store, a hotel; a moving picture theatre and a community of comfortable homes that are all part of the company's business.

The harbor, where the town and factory are situated, is wonderfully located, being open the year round. It is so convenient to fishing areas that sardines are netted in Passamaquoddy Bay, within sight of the harbor entrance. 'Quoddy Bay has never failed the fishermen in 30 years. What this location means in providing a pure product can be appreciated. In Norway, fishermen are forced to operate hundreds of miles, in many cases from the nearest canneries. The sardines must be smoked as a means of preservation and this is not necessary with the Canadian sardine. It is not strange then that government reports should rank Canadian sardines among similar products throughout the world.

A department of trade and commerce bulletin gave Connors' cheapest brand of sardines 1,832 points as against 1,640 points for the very best known imported sardine.

A Diamond in the Rough

Pat Connors, mainspring of the Empire's biggest sardine canning industry, does not look like the commercial magnate he might well be called. He works as hard to-day as he ever did and disregards conventions just as much. Make a business call on him and you will find him at a tiny desk that certainly was not fitted out by an office equipment specialist or you may have to hunt around the factories to find him superintending some little operation. He may have a collar and tie on, perhaps the collar without the tie. A dusty, worn headpiece is always present. The only time he ever dressed up was when a competitive business went broke. Then he bought a plug hat to wear to the funeral.

He does not get away from Black's Harbour much. It has been his home nearly all his life and there he is content to stay. It is significant of the stability of his character. Black's Harbour has been his hobby too long for him to forsake it now, even for short holidays. He still has further plans to develop the harbor and the business. "Why, it would only take a quarter of a million dollars to bring a railway in here," he said to me. "I'm going to build it some day."

Pat Connors dreams big plans but does not put them into effect until he is sure they are good. He is careful and cautious, as a large block of Victory Bonds in his name testifies.

His views on diverting business through Canadian Atlantic ports are interesting. "St. John and Halifax want more business from Ontario and the West; they can get it. Let them send a couple of men to call on export manufacturers; let them point out that rates through St. John and Halifax are no greater than through American ports. Let them send men to the West at harvest time to get traffic. They'll get more business than they'll ever get sending delegations to Ottawa."

Patrick Connors has made a real contribution to Canada in the form of evidence of the larger possibilities in the Atlantic coast fisheries. Some day there will be clam canneries, sardine packing plants, and similar small fish industries in dozens of New Brunswick harbors. As this development comes, the east coast cities will have good reason to thank "Pat" Connors, the first of the sardine kings of Canada, for having shown the way. He has shown what honest, hard-working fishermen can do; has shown that, if they have the energy and the technical knowledge gleaned from experience that they can build big business where capital only will fail and has failed.

One could write a good moralistic tale about "Pat" Connors. Tradition has it that Black's Harbour is the inlet where Capt. Kidd made his headquarters and finally buried his treasure. If "Pat" Conners had spent his life hunting for that treasure he would have been a poor man to-day. But he hunted for and found the real treasure of the Fundy—and it wasn't gold. It was silver—shiny, silvery herrings.

Dominion Bank's New President

Albert W. Austin's father was one of the original founders of the Dominion Bank. Now he becomes president of that same bank, where he himself got his first early training.

Between that first early connection with the bank, and his present move to its chief executive office lies as varied a business career as falls to the lot of most men. It is a career, too, that has been marked by stable judgment and sound business sense, a conservative attitude, and yet with nothing of the timidity that the word sometimes suggests. Mr. Austin had the sound business man's ability to take a chance, and the sound judgment that assured that the chance leaned heavily toward his own direction.

Mr. Austin was in Winnipeg in the boom 80's. There weren't many Winnipegers who were not carried away by the rosy dreams of those years, and there were plenty of others equally optimistic in other parts of the country. Mr. Austin was one of the comparative few who resisted the impulse to climb to fortune with the aid of a town lot. That is the sort of judgment that his election to succeed the late Augustus Nanton, brings to the government of the Dominion Bank.

Mr. Austin has been associated with the bank for some years as vice-president, and for some time past, owing to the illness of the late Sir Edmund Walker and Sir Augustus Nanton, he has been bearing the responsibilities of his present position, so that his appointment as president brings to the government of the bank a trained experience.

More than that, Mr. Austin has had a wide experience in business and industry. He left the bank, originally, to go with the late Sir Frank Smith in the wholesale grocery business. He was with that business for five years, and left it to go to Winnipeg, with the idea of starting a wholesale business of his own. That business was never started, because the possibilities of a street railway in that thriving metropolis of the prairies, suggested itself as a more interesting and lucrative undertaking. It was Austin who built the first car line on the Main St. mud, and who originated the first fare box. He fell foul of the city council over the electrification of his road, and to prove that his attitude was justifiable, built an electric line at Fort Rouge. With the not unusual vagaries of city councils, the group that had considered Austin's idea of overhead wires, as an unheard of tempting of Providence, granted a charter for an electric line to Mackenzie and Ross. Austin's horse cars and Mackenzie's electric ran side by side down Main St., while Austin fought the matter through the courts, and lost, and like a good loser made the best of it and sold his horse cars to his rival.

There was a time when he was in the business of selling barley, but that was only incidental, but in all added training. When he returned from Winnipeg it was to associate with the Consumers Gas Company, of which he is president. The sound position of the Consumers Gas Company is a tribute to very sound and able business administration, and it in this seasoned judgment, long experience in many undertakings, and undoubted ability that Albert W. Austin brings to the presidency of the Dominion Bank.

Personal

LORD LEVERHULME, deceased head of the Sunlight Soap enterprises and founder of Port Sunlight, was one of the world's outstanding captains of industry. He was born in 1851, in Bolton, Lancashire, and for some years was in business with his father. Actively interested in politics, he contested the riding of Wirral many times and sat in the House of Commons as representative of that constituency from 1906 to 1910. He was High Sheriff of Lancashire in 1917 and Mayor of Bolton from 1918 to 1919. Honors were heaped upon him. In 1911 he was created a baronet, in 1917 a baron, with a seat in the House of Lords, and in 1922 a viscount with the title of Lord of Western Isles. Before being made a baron in 1917 he was William Hesketh Lever. At that time, upon his insistence and contrary to all precedents, his title was formed by combining his family name with that of his wife, Hulme. He began his career as a clerk in his father's grocery store in 1867. Twenty years later he began to manufacture soap on a small scale, and in time built up a business capitalized at $500,000,000. Then he branched out into other enterprises. Lord Leverhulme's most recent action, attracting wide attention was his gift of a whole island to its inhabitants. This was the Isle of Lewis, one of the outer Hebrides, which he purchased in 1918 with the intention of organizing large fisheries and other enterprises there. Although he invested about $5,000,000 in the project, it failed because the 4,000 hard-headed inhabitants refused to work for a company, even though it meant better living conditions for them. Seeing that they preferred to do their own fishing and run their little leased farms themselves, Lord Leverhulme decided to reward their obstinacy by giving them the whole island.

Current Opinion

INCOME TAX LIEN

Montreal Gazette: The enactment of the provision in question appears to be one of those mistakes of Parliament which cause annoyance beyond the importance of their object, and so are unjustified. An income tax payer owning real property should be got at with less mischievous methods.

COMPETITION OF THE MOTOR

Toronto Telegram.—Statement of Hon. G. P. Graham that the motor car cut into the passenger business of the railways to the extent of $24,000,000 per annum is illuminating.

Motor cars can never entirely supersede the steam railway, but the touring car for traveling and the motor truck handling package freight have certainly skimmed off a lot of the cream from the earnings of the railways.

CONDITIONS ARE SOUND

Regina Leader:—Anyone who feels his faith in Saskatchewan weakening is recommended to read the annual financial statement of the Weyburn Security Bank. There is no better index of the progress a country is making than bank deposits. When this test is applied to the territory served by the Weyburn Security Bank, a gratifying condition is observed.

The Weyburn area has always had some crop. When the wheat rusted or the yield was light, a good flax crop or some other field crop came to the rescue. There never has been a complete crop failure in the district. The farmers have not put all their eggs in one basket. They have gone in for balanced farming, stock raising and dairying. As a consequence they have been able to put something in the bank during years which proved disastrous to other districts in the West. The growth of the Weyburn Security Bank reflects not only sound and progressive management on its own part; but also sound and progressive management on the part of the farming communities in Southern Saskatchewan which it serves.

MOVING TO THE CITY

Preston Gazette:—Everywhere there is a movement from the farm to the city. In England with a population of approximately fifty million, less than three millions are on the farm. As a country gets older and its civilization and mode of living more complex and complete this tendency toward the urban centre increases. Our own county of Prince Edward is a case in point. There were twice the people on the farms of Prince Edward fifty years ago as there are to-day. But this is of itself not a cause for regret. The real problem of life is to get everybody in the place where his work will count for most in the general system of industry. There is plenty of work for everybody in the right place. And this adjustment is accomplished by economic conditions. The cause of farm depopulation is economic and so long as other lines of work seem to offer greater inducements and greater returns for the effort involved just so long will this movement continue.

THE U. M. W. BOOMERANG

Boston News Bureau:—When an organized body flaunts an economic law, with resultant disaster to itself and the community, there must be something fundamentally and radically wrong. Such seems to be the case to-day with the United Mine Workers of America. Through a wage pact, known as the Jackson agreement, the bituminous coal operators of this country who are members of the union cannot accept wages less than the specified scale, under penalty of union excommunication.

This wage scale makes it absolutely prohibitive for union mines to operate. It is based on virtually war-peak levels; while the present prices for varying grades of bituminous coal are the lowest in 30 years. Only the non-union mines are able to operate, because, adjusting operating costs to the economic scale, they have been able to keep their mines open with resultant employment to their men.

Here is graphic evidence of the stubbornness of one branch of organized labor. Because it will not recede from a wage scale that means a substantial loss to the coal operator on every ton of coal he produces, the United Mine Workers' organization is depriving its members of work and the opportunity to gain a livelihood.

Alexandra Apartments
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June Investments

For investors with available funds there are, at present, securities of wide diversity—issued by the Dominion, the Provinces and by Canadian cities, towns and other municipalities from coast to coast. The yields from this type of securities range from 4.75% to about 5.75%.

In addition, we can offer a number of carefully selected corporation securities both bonds and stocks. The yields among these securities vary from about 4.95% to 8%.

Copy of New List on Request

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Further Suggestions as to Investments and Speculations

Further suggestions have been received by The Financial Post in response to the questions put to Canadian stock brokers asking opinions as to the best stocks in the present market. Instalments were published in each of the last two issues.

Watson, Wallace & Co. Toronto, choose Consumers Gas as the best investment stocks and say of it:

This company has a perpetual franchise in the city of Toronto and surrounding townships, manufacturing and distributing gas in that area entirely without competition. The company has an agreement with the city of Toronto whereby the price charged to the public for gas is regulated so as to provide for the payment of the present dividend of 10 per cent. per annum on the company's stock. This agreement was embodied in an Act of the Legislature of Ontario, and its importance is borne out by the fact that the present dividend of 10 per cent. has been paid by the company without interruption since 1874. At the present market price the yield on the security is about 6 per cent., although the "rights" issued periodically to shareholders in reality considerably increase the yield.

Taken with the above, the fact that the company has no bonds or preferred shares places it, in our opinion, in a class by itself as a sound and reliable investment stock.

Another Toronto broker favors Mackay common, although there are Canadian securities with excellent management and earnings, but the recent change in capitalization does not make them quite so attractive to us.

Incidentally, the same broker consider Mackay common has the best opportunities of appreciation. He would be particularly keen on the prospects of Canada Bread, except for the recent projected change in capitalization. This company have excellent prospects and management. Of course, such securities as F. N. Burt, City Dairy can not be overlooked.

Recommend McIntyre

Watson, Wallace & Co. put McIntyre-Porcupine in the class of the best interest-bearing stock, with prospects of a rise. They point out:

The company is at present engaged in sinking a new shaft, with the 4,000 foot level as its objective, and this work should be completed within two years. The last annual statement showed a treasury surplus sufficient in itself to provide for the operation. Current operations, furthermore, show sufficient net profit to pay the present dividend and to take care of all expenditures of the new shaft and its requisite equipment. It is interesting to note that development work is more than keeping pace with production, as reports indicate that ore reserves at the end of this year will show an increase over the previous year.

The new shaft, which is directed toward a projected extension of the known ore zone, has as its main object the development of that extension. Another purpose will be served, however, namely, the greatly increased hoisting capacity which the new shaft will provide for the old workings, when the sinking operations are met by connecting drifts from present shafts.

While the maximum increased production will perhaps not be reached for several years, yet it would seem probable that it would work up to it in the intervening period.

Whether the price of the shares will gradually discount this, or whether they will have an abrupt rise, if and when this programme becomes a successfully accomplished fact, is impossible to forecast, but we believe that the present dividend (which yields nearly 6 per cent. at the present price) will be at least maintained in the meantime, and that the buyer of McIntyre at the present market price should profit handsomely within a couple of years.

A Toronto broker, asked for opinions on speculative stocks with good possibilities states:

It is said that Consolidated Smelters have as good speculative possibilities as any stock on the list and we would also add the names of Abitibi common and Maple Leaf common to this particular enquiry. We believe that Abitibi is one of the best managed paper companies and if no interference or consolidation, we will look to see this stock sell much higher. The earning power this year for the Maple Leaf common, we understand, has improved materially and with Russia out of the market say for the next ten years, we are told that there will be a good demand for Canadian commodities. Again, the prospective holdings of this Canada Bread second preferred can, we believe, be converted into cash at any time, and this would give the Maple Leaf Company possibly a million dollars and upwards.

Another group of speculative choices is given with these comments:

When it comes to selecting a Canadian security of speculative possibilities many might be chosen, with convincing arguments in each case. Certain of our leading men predict an era of expansion and marked prosperity for our country as soon as the present period of post-war adjustment and industrial slackness has run its course, but the uncertainey of future tariff legislation and other governmental policies make it difficult to forecast just when and in what industries this improvement will first be shown.

General prosperity, which means widespread increase in purchasing, must commence by virtue of the greatly increased purchasing power of one group in a country putting sufficient money in circulation to increase the buying power of other groups. The general rise in agricultural prices in the last year would point to a greater purchasing power on the part of the Canadian farmer, who, if he becomes prosperous, should attract the hoped-for immigration of agriculturists, from outside our borders, and thereby further augment this primary purchasing power. Agricultural implement companies should be amongst the first to reflect such a situation, and we think that Cockshutt Plow preferred offers attractive speculative possibilities at the present price of about 30.

As there are no bonds on the company's properties, this stock is the senior security. In the statement as of December 31, 1924, current assets (after deducting current liabilities) are shown to amount to $84 per share of preferred stock outstanding. In addition to this the fixed assets taken at book value amount to $120 per share.

The company has been operating at practically no profit since 1921, and rather than deplete the finance the directors stopped payment of dividends on preferred shares last year. Recent reports indicate an improvement in domestic business for the company, as well as a considerable volume of export business, and we feel that a continuance of this would cause a marked upward reaction from present low levels of the preferred.

There are, of course, some Canadian industrial companies who have maintained profits and dividends on their shares even during the last few years of quiet general business, and they should participate in any general improvement, but inasmuch as the prices of such shares are in most cases fairly high at the moment, reflecting the success of the companies, the advance in them would not be as great.

Investment Bonds and Shares

We offer a wide range of investment securities, including Government, Municipal, Railroad, Public Utility and Industrial Bonds, and the Preferred Shares of important and successful Canadian corporations.

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We are pleased to supply, free of charge, information on investment matters. Correspondence enquiries invited.

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THE CANADA YEAR BOOK—1924

The new issue of the Canada Year Book published by the Dominion Bureau of Statistics has just made its appearance. In its thoroughness and scope, the current issue may easily be said to excel its predecessors. In fact, this admirable publication has continued to expand and improve with each issue, growing, as it were, with the country, and is now a requisite of every business office in the country. The volume includes the latest available information up to the time of going to press, and is the official statistical annual of the physiography, history, institutions, population, production, trade, transportation, finance, labor, administration and general social and economic conditions and life of the Dominion. The Year Book is edited by S. A. Cudmore, chief of the general statistics branch of the bureau.

Your Investments

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Golden Crown

H. A., Halifax.—Can you give me any information regarding the Little Ellen Mining & Milling Co., Denver, and the Golden Crown Mines, Greenwood, B.C.

Little Ellen Mining is not shown in any of the late records. Kamp & Co., 610 Denham Bldg.; Denver, Col., might be able to help. Golden Crown Mines are not contained in late B.C. records but there is a Golden Crown property owned by W. Dowling and others, Ymir, B.C.

Greater Canada Security

Banker, Ontario.—A customer of ours holds three fully paid shares of Greater Canada Security Corporation. Please advise if these have a remarkable value and if so, how much?

So far as we can learn there is no market for the shares of the Greater Canada Security Corporation. The outlook is not regarded as encouraging. Dealers in unlisted securities inform us that they have clients offering this stock, but are unable to dispose of it.

Baldwin Gold Mines

Banker, Ontario.—I would appreciate it if you could give me any information on the Baldwin Gold Mining Co.

Baldwin Gold Mines are a prospect that possess considerable merit and warrant the expenditure of considerable money on exploration. The present control does not seem to be able to finance. The stock has been selling around such levels that it has been impossible to get a price that would be of any benefit to the enterprise. Some promoters cite this as showing the folly of listing a stock before the proposition is proven.

Maritime Telegraph

A. S., Nova Scotia.—I would like your opinion of Maritime Telegraph & Telephone Co. I hold $500, 7 per cent. refunding bond.

While the Maritime Telegraph and Telephone Company has been passing through a difficult period on account of the industrial situation, the business is a relatively sure one. It is hoped that, with the settlement of the industrial situation in Cape Breton during the coming year, there will be a marked improvement, which would, of course, be reflected in the operations of the telephone and telegraph companies.

Old B.C. Mines

C. S., St. Thomas.—Kindly advise me if the following stocks have any value: The Toronto and Ymir Gold Mining Development Co.; Black Bear Mining Co. of Lardeau, B.C.; British American Consolidated Gold & Silver Mining Co., of B.C.; Cobalt Merger, Ltd.

B.C. mine reports fail to record Toronto and Ymir Gold Mining and Development. Better write A. G. Langley, resident mining engineer for B.C., Revelstoke, B.C.

Black Bear Mining Co. is not shown but Black Bear claims are in control of H. E. Forster, Wilmer, B.C.

There are no records of British American Consolidated or Cobalt Merger Ltd.

Northwestern Utilities

Reader, Nova Scotia. — I hold $500 North-Western Utilities 7 per cent. bond. Would like your opinion of this company.

Relative to the North-Western Utilities first mortgage 7 per cent. bonds, we consider these a well secured businessman's investment. The company operates in a growing field and should grow with the field. It has been in operation for more than a year and has already demonstrated its ability to earn money. Taken from all angles, this new issue presents attractive possibilities. The investor gets a first mortgage, plus the chance to share in future business profits through the stock bonus.

Company Reports

O. F., Montreal.—A company with an Ontario charter, operating in Toronto, states that they do not send out their annual statement to the shareholders, but that the figures, etc., are discussed at the annual meeting, and that due notice is given of the meeting. As my mother and sister have been unable to attend, and I am living in Montreal, can you suggest the best method for me to get a statement of affairs of this company? They are shareholders, and appoint me their representative to get this information, which the manager has refused to give me.

All companies operating under Provincial charter must file a copy of their annual report with the Provincial secretary at Queen's Park. This is done so that the reports are available for inspection by shareholders.

Riordon Bonds

G. S., Quebec.—I would like your advice regarding Riordon six per cent. first mortgage bonds, due 1942.

With regard to the 6 per cent. first mortgage debentures of the Riordon Pulp and Paper Company maturing in 1942, this is the underlying obligation of the old Riordon Company which is now being taken over by the Canadian subsidiary of the International Paper Company. These bonds are changing hands at the present time at around 99, and are first mortgage on all the company's fixed property. With the type of security behind these bonds, the debacle of the Riordon Company, had but little effect on the price.

Nipissing

S. S., Toronto.—Would appreciate receiving your opinion as to the advisability of Nipissing as a buy at the present market price, and as to its future prospect in respect to dividends.

Nipissing is well regarded. Earnings last year were 93 cents a share while the dividend and bonus totalling 18% took 90 cents. The company has over $5,000,000 in the treasury. Costs in 1924 were high owing to heavy exploration work. The company is sinking a new shaft and will undertake a program of exploration that may prolong the life of the Cobalt property indefinitely. In the meantime they have properties in Lorrain and also reported as meeting with fair success in Quebec. The decrease in reserve this year over last was due to the acquisition of some Lorrain properties and other capital charges.

English Electric

M. K., Toronto.—Can you give me any information on English Electric? I bought some of this stock at great deal higher prices and was wondering if it would be good policy to buy some more to average up.

English Electric has been doing very well for some time past. This became apparent back in October of last year when there was a general movement to accumulate the shares. This has been going on steadily. The annual report of the company is not expected until around July. It is expected to show a much improved position. The company in the present fiscal year improved its plant so that it was able to accept orders for large electrical equipment and it got a fair share of these orders. On the question of averaging The Post has always taken the stand that this is more or less of a fallacy and that a stock is either a buy or sell and should be judged on its merits and not from the standpoint of previous losses.

Northern Ontario Light & Power

A. R., New York.—I would very much appreciate your good opinion of Northern Ontario Light & Power preferred which I have been holding for about 10 years.

Northern Ontario Light and Power has outstanding $2,400,000 6% cumulative preferred. Standing ahead of this is an issue of $4.506,500 6%, 20 year bonds due April, 1931 and to be redeemed by sinking fund. Fixed assets total $13,300,000 and liquid assets $787,000. The statement for 1923 shows that before provision was made for depreciation earnings stood at 42% on the preferred. This record has been sustained for some time. The company supplies power and air to the mines of Cobalt and Lorrain. It also supplies light and power to Cobalt, Haileybury and New Liskeard and Kirkland Lake camp. It also has franchises in South Porcupine, Timmins, Englehart and several small centres which should ensure it an excellent market for its output.

Border Cities

F. H., Ontario.—Would appreciate having your opinion of the 7 per cent. first mortgage sinking fund gold bond of the Border Cities Co., as to its safety and as to whether it would be an investment for a woman to consider or not.

The bond issue recently offered by the Border Cities Company, of Windsor, is rather a new departure for Canada, but the plan has been employed rather extensively in some of the leading cities in the United States. Its strong point, of course, is that its security is based on sales already made and is, in addition, the first lien on balances due, as well as on other properties owned by the company. The payments due are collected by a trust company and are more than sufficient to pay interest and sinking fund charges.

One feature of this issue should be borne in mind: the responsibility is not joint and several, but is based on the individual units of property. As the Border Cities are having an industrial development which promises to be extensive, we are of the opinion that the issue has a reasonable chance of proving a very good investment.

S. Keora — Keora

Enquirer, Milton.—I would like your opinion on the mining situation. Some brokers are inclined to give unsatisfactory information in an endeavor to obtain money to develop their respective mines. At present they have men out through the country at this work and this is why I take this opportunity to get an honest opinion of this particular situation. As I hold a certificate for stock in the South Keora Mines I would like your opinion.

South Keora has two properties, one in South Lorrain on which development work was carried on until recently, and one in Porcupine which has been dormant for years. The outlook for the immediate future is not bright. The concern is controlled by the same people as control Keora and they are giving their full time to the latter. The best opinion is that you might be well advised to switch your stock from South Keora to Keora. The latter owns two of the 3,000,000 shares of the former and at the same time seems to present fair prospects of an advance in price in the not distant future. Both propositions are to be regarded as speculative.

St. Lawrence Flour

W. I., Montreal.—Would like to know what you think of St. Lawrence Flour's chances in the next couple of years. Do you think the common will pay a dividend within the next two years? Do you consider the dividend on the preferred safe? Is the company well managed? I have some of the stock, both common and preferred, and I was wondering whether I should make a fair return on my money by holding it through the next two years. You will note that the preferred is hard to sell.

The St. Lawrence Flour Mills Co., is a comparatively small concern and its earnings are entirely dependent upon the flour milling business. The larger Canadian mills are better able to withstand a period of unfavorable export conditions, through their established elevator chains and earnings obtained in other branches of the grain trade, such as the business in coarse grains. Due to the fact that American wheat is selling at a discount as compared with the Canadian hard, the export market is off. As far as the future is concerned it would seem that sooner or lator improvements must come to this unsatisfactory state of affairs—in the past the company has always been generous with its shareholders when times were good and the necessary result of this is that they have not built themselves up into a particularly strong position. As one example of this there is to be seen among the assets of the company a large amount for goodwill. Earnings over the last few years might have been devoted to reducing this account. Earnings over the last three years have averaged about three times the amount required for the preferred shares.

Seeks Higher Yield

C. K., Toronto.—I am a young business woman with salary of $2,000 per annum. I have $1,500 invested in Dominion and Province of Ontario bonds and at present have a bank account of $1,500. I wish to invest $1,000 of my savings account and at a higher rate of interest than my bonds bring. I have been reading The Financial Post and Steel Co. of Canada, common, appeals to me. What is your opinion? Also City Dairy? Perhaps you would be good enough to make other recommendations.

There are many good investment stocks which you might consider. Steel of Canada common which you suggest, in selling around 84 yielding 8.35. The preferred around 108 yields 6.42. City Dairy common at 77 is yielding 3.89.. Preferred at 105, 6.66%. In our issue of May 8 on page 11 you will find a number of valuable suggestions which might interest you. If you compare these suggestions with the stock table on page 4 you will find many propositions which should appeal.

In regard Steel of Canada, you would find the preferred with its good yield much safer. There is a certain speculative feature to the steel issues. Standing ahead of the preferred is a bond issue but the company's investment profit is almost equal to the bond interest so that operating profits are left to the preferred shares. Consumer's Gas, Bell Telephone, Canada Cement preferred are other attractive issues which combine a good yield with a fair degree of safety.

The Business Outlook

Careful survey of commercial and financial conditions and their probable trend is a feature of the May Greenshields Review. Copy on request.

Write Dept. 4

Greenshields & Co
17 St. John St., Montreal
also Mount Royal Hotel Building
TORONTO 14 King Street E. OTTAWA 46 Elgin Street

OTTAWA-MONTREAL POWED

E. M., ONTARIO.—Please advise if you consider the Ottawa-Montreal Power Co., 7% cumulative preferred stock, carrying a bonus of 3 shares of common stock, a safe investment. Would also like your opinion as to the financial standing and future prospects of the company.

With regard to the 7 per cent. preferred cumulative stock of Ottawa-Montreal Power Co., Ltd., we feel that at the present time you will have some difficulty in obtaining this stock with its bonus of three shares of common for every hundred dollars par value of preferred.

This issue has been already oversubscribed, and has proved popular for many reasons. The interests behind this concern have had much success with their power enterprises in the past, with the consequence that some of their previous issues which carried a bonus of common stock now sell at par and the common stock is also changing hands at enhanced values.

The Ottawa-Montreal Power Co., Ltd., took over older companies which were operating in Eastern Ontario and combined them under the one management. Through the co-ordination of the various lines savings will be effected. The future for the company looks bright as it serves a very prosperous area.

Dominion Glass

G. I., Montreal.—Do you regard Dominion Glass common as a safe investment?

The Dominion Glass Co., is under exceptionally able management. The stock is regarded as a good long hold prospect for a business man. The company manufactures bottles and other glassware and it is an open secret that it has recently been selling considerable of its product to the liquor trade. Glass used in the liquor trade at present time, often is shipped out of the country, never to return. And all the glass companies in Canada have participated in the resultant increase in business from this source. Whether or not the federal government really seriously intends to prevent exporting to other countries which have prohibition is not definitely known. There is a possibility though that the activities of those who take liquor across the border may be somewhat curtailed. This might have more or less of an effect on the company's earnings. Some people point to the goodwill account as shown in the balance sheet and make the point that it is very high. This is so, but is off-set somewhat by the fact that the company has rapidly depreciated its properties. The company is the largest factor in the glassware trade in this country. At last annual meeting the president, Sir Charles Gordon, stated that it was desirable to reduce the goodwill account. From this it might be taken that there seems to be no immediate hope of increased dividends. The company has been doing very well, though at the present time it is said that business is off somewhat.

Getting Shareholders to Help Develop Market for Product

To capitalize the interest and goodwill of the company's shareholders in getting business is the object of a special pamphlet which has been issued by the Ontario Steel Products Company by the sales manager, Garfield G. Hood. It is attractively printed and illustrated with the company's various products including springs, shovels, etc. On the cover is the suggestive title "Let us Co-Operate" and the following message is contained in a facsimile letter signed by Mr. Hood:

As a stockholder in Ontario Steel Products Company, Limited, we feel that we may assume your interest in our success.

We also feel that there are often occasions when you can render valuable service to the company of which you are a part owner—by helpful suggestions—by recommending our product—or by the further development of goodwill among our customers.

In this little pamphlet we give you the names of the different companies as well as a complete list of the lines we manufacture, and any further information you would like in regard to our products will be gladly furnished upon request.

We hope that we may always have the benefit of your co-operation.

The various branch companies and sales agencies are enumerated and the history of the organization, built up on the highest standards of quality and service, is outlined. Particular attention is directed to the fact that practically all production automobile companies in Canada, including makers of such well-known cars as Chevrolet, Dodge, Durant, Ford, Gray-Dort, Maxwell, Chrysler, McLaughlin, Oakland, Oldsmobile, Studebaker, Overland and Willys Knight are equipped with Ontario Steel Products springs.

Getting shareholders' co-operation in developing a market for a company's products is being more and more generally adopted along with the movement to widen the lists of shareholders among both the public and employees.

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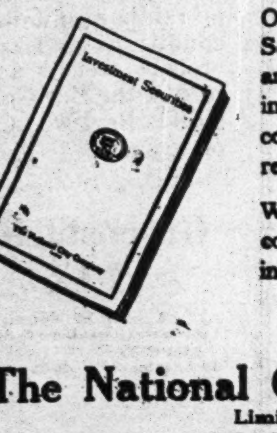

Investment Literature

Our booklet "Investment Securities" is issued monthly and contains information of interest to investors and a complete list of our current recommendations.

We shall be glad to mail a copy of the May issue to any investor.

Write our nearest office.

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204 Union Bank Building OTTAWA
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Montreal

Regal Oils is Offering Million Shares at Par

Regal Oils, which will operate an oil cracking plant at Tillsonburg, is making an offering of 1,000,000 shares of stock at par, $1. The company secured from Universal Oil Products Corp. a license to instal and operate a refinery under what is known as the Dubbs Cracking Process. The company has no preferred stock or bonded indebtedness.

Tillsonburg was chosen as the site of the proposed new refinery because it is within 15 miles of the Bothwell oil field, and is a strategic railway point. Two units will be built with a capacity of 1,000 barrels per day. Oil will be brought in mainly from midcontinent fields via Port Burwell, on Lake Erie.

Improvement is Shown by Continental Oil Co.

Continental Oil Company shows a substantial improvement over last year, and indications are that earnings will establish a new high in 1925. Gasoline demands of Continental during the first quarter have shown marked improvement, the company marketing 2,450,000 gallons more than in the first quarter of 1924. Lubricating oil sales showed proportionate advance, and average prices were much better than a year ago. Sales of crude oil are increasing. Crude inventories have increased since Jan. 1, and Continental has on hand between $7,500,000 and $8,000,000 in cash. The construction program on the refineries will be completed in 30 days.

News of the Investment Markets

PRICES ARE FIRM FOR BONDS UNDER 5 PER CENT. LEVEL

Larger Buying by Institutions Seems to Have Broken Old Rate

The bond market is characterized this week by a tendency towards greater firmness of prices, especially among the municipal issues. While this has been looked for for some time, it is not, as yet, accompanied by any large scale increase in buying. After a long period of hesitation around the five per cent. level, bonds of lower yield are beginning to come into greater demand.

While it would be difficult to state the actual cause of this firmness in the bond market at present, one factor, at least, is that the large institutional buyers were well supplied for a period in advance, and were not actively bidding. They are now in possession of a greater surplus of funds, and have begun to buy on a larger scale. In fact, an abundance of funds available for investment has been accumulating for some time and the fact that business shows less indication of any immediate business improvement than was the case at the beginning of the year, seems to have directed a greater amount of money into the investment markets.

With regard to the probable future trend of the bond prices here and in the United States, there are a number of factors to be considered. Assuming the continuation of the easing tendency in commodity prices which commenced a short time ago, one would expect to see the present firmness in the bond market become more marked. The trend of money rates and the general state of business must also be considered. Certain industries show signs of improvement and the trend of money rates will undoubtedly be upward in some lines. According to present indications, however, a general easing in rates seems most probable, in so far as the United States is concerned. The New York bond market continues very firm with prices higher than they have been for some considerable time. Last week ended with prices at the year's highest levels. Low priced rail issues were most active, while United States and foreign government bonds as well as industrials were more than moderately active.

Foreign Bonds in Demand

Much interest has been shown of late throughout Canada, in certain of the higher class foreign issues. In addition to French and German external bonds, demand has been keen for bonds of the recent Republic of Argentina issue. While the yield of these is not so great as that of most European issues, they are considered by some to be a particularly good investment. Japanese bonds, which have a higher yield, are also a favored class. Few foreign countries, if any, have a better record in regard to the settlement of their obligations than have the Japanese.

Bond sales for the year to date are considerably in advance of those for the same period last year. Totals this year are in the neighborhood of $200,000,000 against slightly more than $150,000,000 for the first five months of last year. Of this year's total, government issues led with a total of about $75,000,000. Corporation issues totalled slightly less than $70,000,000, while railway and municipal bonds were approximately $35,000,000 and $22,000,000 respectively. Of the grand total, about half was sold in the United States, the American purchases being evenly divided between government issues on the one hand, and railway and corporation issues on the other.

WHALEN PULP DEBENTURES

No definite information has yet been given out with regard to the adjustment of the affairs of the Whalen Pulp Company, whose properties will be sold on the 28th of this month. The interests of the bond and debenture holders are being looked after by a committee composed of Messrs. W. B. Ross, of Toronto, and I. W. Killam, of the Royal Securities Corporation, Montreal.

QUOTATIONS ON FOREIGN BONDS

Brit. Nat'l. War Loan, 5%, 1927	$100—102
Brit. Nat'l. War Loan, 5% 1929	99½-102
Brit. Nat'l. funding 4% 1960-1990	85—87
French Intern'l. 4s 1917	22—25
Do., Victory 5s, 1920	30—32
Do., Premium, 5s, 1920	35—37
German Govt., 5 per cent.	x1275—1350
German Govt. 4/5 Enforced Loan of 1922	x13—17
Prussian Consols 3½s	2—3
City of Berlin, 4s, 1922	x175—250
Do., pre war issues	9—12
City of Hamburg, 4½s, 1919	x200—250
City of Hamburg, pre war issues	6—7
Deutsche Bank Stock	33—35
Krupp, Ltd., 5 per cent.	2½—3½
Austrian Federal 6 per cent, 1922	9—11
City of Vienna 5s, 1923	14—16

Quotations:—French bonds per thousand francs, British, per £20; German per thousand marks. x is million marks.

Bond Dealers Fight "Scalping" Selling Bonds Before Bought

"Scalping," as a practice, has invaded the bond market and is causing much concern to investment houses that do not consider such business methods ethical. "Scalping" is the street expression for the selling of bonds before they are bought. Some investment houses have apparently adopted the procedure of getting a "firm offer" from an insurance company or other investing institution before making a bid for a new issue of municipal debentures. They then add a fraction of a point to the offering price, sufficient to cover expenses, and a few dollars profit—or even as a favor to the institution no profit at all—and with the risk taken out of the transaction and the profit and loss figured to the last cent they are often able to put in a price that canters away with the issue.

The practice has been slowly developing and has been responsible for the many large issues going to houses that would ordinarily not be in a position to handle such large transactions. They have, of course, paid good prices for the issues and have thus tended to raise the general level of prices. To make certain of getting enough bonds to keep their sales vaults full the larger houses have had to bid higher than they would consider justified under other circumstances.

Many bond houses consider the business "unethical" in that it upsets established procedure that is considered sound and fair. Despite its apparently obvious advantages to municipalities who thus get higher prices; to the bond houses who indulge, and even to the institutions who would probably not bid for an issue more than they considered a fair current level, the practice is going to work harm in the end, declare some bond houses. They state that one result will be an artifically high level of prices, induced by the reckless reaching for bonds that will follow and that in the end investors will be forced to pay more for their issues.

FEW HOUSES KNEW OF FORD CITY SALE

Larger Houses Evidently Ignored When Call for Tenders Went Out

The somewhat remarkable circumstances attending the sale of over half a million dollars of bonds of Ford City last week has revived discussion regarding methods of marketing municipal bonds. In this instance certain bond houses were apparently informed well in advance of the sale, that tenders would be discussed by the city council last Friday morning. Other bond houses were notified by telegram or special delivery letter in the course of the previous evening and as the telegrams were not specific, but merely asked for tenders on approximately half a million dollars of debentures there was no opportunity for a basis of bidding to be determined. More surprising still, the largest bond houses, those with the greatest turnover of municipal bonds, report that they received no notice whatever of the issue of bonds and were surprised to hear of the sale.

There is, of course, always much controversy over the comparative advantages of selling municipal bonds privately and calling openly for tenders. In this instance evidently the procedure was followed of calling for tenders only from a limited number of the smaller bond houses that have interested themselves in Ford City bonds in the past few years and have developed a market for them. An explanation offered for the procedure is that the larger houses have declined to bid on Ford City issues since the town's debenture debt grew so high in the neighborhood of $300 per capita. Even so, it is pointed out by investment bankers that open calling tenders not only insures the deposit of very interested bid, but also protects the town and the town's officials from such condemnation and comment as has been heard since this issue was sold.

The amount of the various maturities of the issue has not yet been finally determined by the city, but the total will be about $530,000 and was bought by Dyment Harris, McKeen & Company, Toronto, at around 95.25. The bonds are 5 per cent.

The Eastern Trust Co., announces the appointment of W. E. Mowat to the managership of the Montreal branch of the company. Mr. Mowat was for some years assistant manager of The Molsons Bank, Montreal.

UNLISTED BONDS
(Montreal Stock Exchange)

	Bid	Asked
Abitibi 6% 1940	100	100½
Alabama 6% 1962	93	93½
Algoma Steel 5% 1962	31¾	32
Belding 5% 1936	85	..
Belgo Can. Paper 6% 1943	99½	100½
Brand-Henderson 6% 1939	90	..
Burns, P. & Co. 6½% 1943	99¼	101¼
Can. National Rly. 5% 1954	100¼	101¼
Calgary Brewing 5% 1942	83½	..
Can. Steamship Lines 7% 1942	98	98½
Can. Light & Power 5% 1949	57	..
Can. Pacific Rly. 5% 1934	99¼	99¾
Can. Steel Foundries 6% 1936	100	..
Dom. Iron 5% 1939	..	51
Dom. Power 5% 1932	96¾	97
Dom. Textile 6% 1949	105	..
East Koot. Power 7% 1942	100¾	101¼
Frontenac Brewing 6% 1951	85	..
H. Smith Paper 6% 1934	97	..
Lake Sup. Paper 6% 1941	105	..
Laurentide Power 5% 1946	98¼	100
Laurentian Power 6% 1936	98½	100
Maple Leaf Milling 6½% 1943	104	..
Man. Power 7% 1941	102½	103½
Mattagami 7% 1949	30	40
Montreal Steel Works 6% 1940	100	..
Prov. of Ontario 5% 1948	101¼	102¼
Nor. Ont. Power 6½% 1931	98¼	99¾
Ontario Pulp 6% 1931	106	..
Price Bros. 6% 1943	100½	..
Quebec Power 6% 1953	100¼	101¼
Shaw. Cotton 6% 1949	..	85
South Canada Power 6% 1948	102¾	..
Spanish River 8% 1941	107	107¼
St. Maurice Power 6½% 1953	105¾	106¼
West Koot. Power 6% 1943	102¼	..
West Power 5% 1949	92¾	..

Dodge Reorganization Benefits Shareholders

Judging from present quotations of the Dodge Brothers Inc., preferred stock, the reorganization has worked out very much to the advantage of holders of the new securities. In addition to the issue of bonds which were sold at 99, there was an issue of preferred stock and of common stock. Each preferred share carrying with it a share of common was purchased for $100. The preferred was lately quoted at 79 and the common at 26 making $105 in all.

The net earnings of Dodge Bros., Inc., for the three months ended March 31, 1925, before the federal taxes, amounted to $6,293,548. After allowing for these taxes as well as for interest payments, earnings were at the annual rate of $21 per share on preferred stock. After dividend reduction on preferred stock, earnings amounted to more than $6 per share on the common. This does not include substantial profits made from the sale of real estate not essential to the business. For the first half of the year at the same rate, earnings are estimated at an annual rate of $24 per share on the preferred and more than $7 per share on the common, after the allowances mentioned above. Net earnings are usually larger during the second half than during the first half of the year.

REFUSE BOND AUTHORIZATION

The Ontario Hydro-electric Commission have applied to the City of Toronto asking that a by-law be passed consenting to an increase of the bond issue of the commission by the flotation of $2,000,000 additional bonds necesary to cover the capital cost of extensions and additional works and equipment required by the railways mentioned in the act of 1921, and amendments and agreements authorized, the bonds to be charged upon the Toronto and York Railways. Messrs. Long and Daly, solicitors for the bond dealers, have refused to approve the bonds of the commission as the procedure under which they were issued does not follow the statute.

The Financial Post learns on good authority that the whole matter is the result of a technicality which the City is almost bound to correct. The matter will be taken up by the Board of Control.

BOND MOVEMENTS OF THE WEEK

WEEK ENDING MAY 19

BONDS	Int. Rate	Due Year	Yield	Range 1924 High	Low	Range 1925 High	Low	Ask	Latest Bid	Price High	Low
Cedar Rapids	5	1953	5.03	99¾	95	99¼	97	101	99¼	99¼	—
Montreal Trams	5	1941	5.22	95½	91	97¾	94½	98¼	97¾	97¾	—
Penmans	5	1926	5.53	99¼	95	99	98	—	98½	99	—
Quebec Rly	5	1939	5.80	91	80	93	89¾	92¾	91½	92½	92
Rio Janeiro	5	1935	6.57	87	84	88¾	82	—	87½	88¾	87¾
Steel of Can.	6	1940	5.51	103½	103	105	104	—	104	105	104
Sherwin-Williams	6	1941	5.79	103	101	103½	101¼	—	101¼	102¾	—
Winnipeg Elec.	5	1935	5.90	91½	85¾	93	92¼	—	93¼	93	—
War Loan	5	1925	4.00	100.95	100.15	101.15	100.15	100.50	100.40	100.25	—
Do.	5	1931	4.59	102.40	100.60	102.55	101.00	102.55	102.45	102.40	102.30
Do.	5	1937	4.50	103.85	102.20	104.55	103.80	104.50	104.40	104.51	104.35
Victory Loan	5½	1927	4.25	103.05	102.05	103.15	102.05	102.95	102.85	102.70	102.60
Do.	5½	1933	4.52	106.70	104.30	106.90	105.90	106.80	106.70	106.90	106.50
Do.	5½	1934	4.88	104.70	102.35	104.60	103.20	104.60	104.50	104.45	104.15
Do.	5½	1937	4.52	108.90	106.15	109.97	108.45	109.55	109.45	109.87	109.15
Do. Renewal	5½	1927	4.70	102.70	101.15	102.95	101.50	101.90	101.80	101.80	101.50
Do. "	5½	1932	4.87	103.90	102.10	104.00	103.10	103.85	103.75	103.95	103.50
Do. Refund	5	1928	4.63	100.85	99.40	101.35	100.45	101.15	101.05	101.25	—
Do. "	5	1943	4.78	102.85	99.00	102.55	101.20	102.60	102.50	102.50	102.30
Do. "	4½	1944	4.73	97.15	97.00	97.10	[illegible]	97.05	[illegible]	97.20	97.00

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Tenders For Bonds

Sealed tenders, marked on the outside "Tender for Bonds," will be received by the undersigned up to noon of Wednesday, June 3rd, for $65,000.00 Town of Campbellton General Debentures, bearing interest at five per cent., dated June 1st, 1925, and maturing in 1945, principal and interest payable at Campbellton, N.B. Highest or any tender not necessarily accepted.

JOHN T. REID,
Town Clerk.

Campbellton, N.B., May 19, 1925.

This Week's Bond Sales

ST. JOHN ISSUES

Montreal.—Two bond issues of the city and county of St. John, N.B., were awarded the Eastern Securities Co. The first issue amounted to $34,569, bore interest at the rate of 5 per cent., and matured serially from 1926 to 1940. The bid on this issue was 99.07.

The second issue consisted of $45,000, 5 per cent., 20-year bonds, which were sold to the company at 100.35.

FORD CITY DEBENTURES

An issue of $575,000 Ford City, 5 per cent., 10, 15, 20 and 30 instalment debentures, has been sold to Harris, MacKeen & Co., on a bid of 95.21, or on a cost basis of 5.50 per cent. The bids were:

Harris, MacKeen & Co.	95.21
R. M. Bird & Co.	95.07
McLeod, Young, Weir & Co.	92.78
Macneill, Graham & Co.	92.25
Toronto Bond Exchange	92.25

HANOVER ISSUE

A parcel of $22,700, 5½ per cent., 30-instalment bonds of the municipality of Hanover have been sold to Gairdner, Clarke & Co. at 104.52. Following is a list of bids:

Gairdner, Clarke & Co.	104.52
A. E. Ames & Co.	104.39
C. H. Burgess & Co.	104.22
Municipal Bankers Corp.	103.518
Wood, Gundy & Co.	103.29
Bell, Gouinlock & Co.	103.00
Matthews & Co.	102.88
W. C. Brent & Co.	101.63
MacKay & MacKay	101.00

WALKERVILLE BONDS

Wood, Gundy & Co. were the successful tenderers for an issue of $238,553 Walkerville, 5 per cent., 15-instalment, local improvement bonds, on a bid of 99.40. The cost of the money to the town is 5.11 per cent. The bids were:

Wood, Gundy & Co.	99.40
Gairdner, Clarke & Co.	98.832
Macneill, Graham & Co.	98.83
Dyment, Anderson & Co.	98.61
Matthews & Co.	98.445
Bell, Gouinlock & Co.	98.37
Municipal Bankers Corp.	98.366
C. H. Burgess & Co.	98.07

REGINA BONDS AWARDED

John McGregor, Baker & Co., Winnipeg, were the successful tenderers for a block of $29,100 City of Regina 5% 5. 20 and 30 years bonds, their bid being 97.89. The list of tenders:—

John McGregor, Baker & Co.	97.89
Wood, Gundy & Co.	97.19
C. H. Burgess & Co.	96.73
Gairdner, Clarke & Co.	96.26
MacNeill, Graham & Co.	95.57
Matthews & Co.	97.89
Dominion Securities	97.09
Cochran, Hay & Co.	96.67
A. E. Ames & Co.	96.16

TOWN OF WHITBY ISSUE

The Town of Whitby has awarded an issue of $35,000 5½ per cent. 20 equal annual instalment bonds to J. L. Goad & Co., on a bid of 103.53. The bids were:

J. L. Goad & Co., Ltd.	103.53
Wood, Gundy & Co.	103.30
McNeill, Graham & Co.	103.15
McLeod, Young, Weir & Co.	130.11
Bell, Gouinlock & Co.	103.09
Burgess & Co.	103.08
Gairdner, Clarke & Co.	102.94
Dyment, Anderson & Co.	102.86
A. E. Ames & Co.	102.73
Toronto Bond Exchange	102.18

CITY OF SHERBROOKE

With a bid of 99.33 Hanson Brothers and Rene T. Leclerc were the successful bidders for $325,000 serial, 5 per cent. bonds of the city of Sherbrooke, P.Q. Other bids were as follows:

Wood, Gundy & Co.	99.27
A. E. Ames & Co.	99.17
Mead & Co.	99.17
Dominion Securities Corp.	99.13
Royal Bank	99.085
Geoffrion & Co.	99.08
Nesbitt, Thomson & Co.	99.08
Credit Canadien, Inc.	99.03
Bray, Caron and Dube	98.86
Versailles, Vidricaire & Boulais	98.83

WINDSOR BONDS

An issue of $382,000, City of Windsor, 5 per cent., 10-instalment bonds, has been awarded to the Dominion Bank on a bid of 99.71. Following are the bids:

Dominion Bank	99.71
W. C. Brent & Co.	99.59
Macneill, Graham & Co.	99.57
Municipal Bankers Corp.	99.57
Wood, Gundy & Co.	99.55
H. R. Bain	99.50
McVeigh, Graham Co.	99.37
Gairdner, Clarke & Co.	99.32
Dyment. Anderson & Co.	99.14
Hanson Bros.	99.02
Cochran, Hay & Co.	99.07
Matthews & Co.	98.98
McLaren, Fletcher & Co.	98.68
C. H. Burgess & Co.	98.60

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES.

MUNICIPAL

Place	Date	Purpose	—Sold To—	Rate	Maturity	Amount	Price	Yield
Windsor	May	......	Dominion Bank	5%	1935	$382,000	99.71	5.02
Mimico	May	......	C. H. Burgess & Co.	5 & 5½%	30 & 40-yr.	35,600	100.10	...
Pictou	May	......	H. M. Bradford & Co.	5%	1955	10,000	99.68	5.02
Walkerville	May	Imp.	Wood, Gundy & Co.	5%	1940	238,553	99.40	5.11
South Vancouver District	May	......	Victor W. Odlum & Co., and Gillespie, Hart & Todd	5½%	1965	27,000	98.56	5.59
St. John	May	......	Eastern Securities Co.	5%	1926-40	34,569	99.07	...
County of St. John	May	......	Eastern Securities Co.	5%	1945	45,000	100.35	...
Sherbrooke	May	......	Hanson Bros., and Rene T. Leclerc	5%	Serial	325,000	99.3	...
Ford City	May	......	Harris, MacKeen & Co.	5%	10 to 30 ins.	575,000	95.21	5.50
Hanover	May	......	Gairdner, Clarke & Co.	5½%	1955	22,700	104.52	5.20
Saskatchewan Schools	May	......	Various	.....	....	8,100	....	...
Whitby	May	......	J. L. Goad & Co.	5½%	1945	35,000	103.53	5.20
Regina	May	......	John McGregor, Baker & Co.	5%	5, 20 & 30 yr.	29,100	97.89	....

Municipal and Provincial Finance

ONTARIO PLANS TO RETIRE DEBT IN FORTY YEARS

Provincial Treasurer Arranging to Place Finances on Sinking Fund Basis

The plan which is being worked out by the provincial treasurer of Ontario for the complete retirement of the debt within a period of forty years is being favorably commented upon by the financial and business community. The new arrangement, which is nothing more or less than the adoption of the sinking fund principle on a serious scale, assuming the successful completion of the plan, will wipe out the existing provincial debt of $150,000,000 and will take care of the new debt arising from current and future borrowings.

While none of the provinces have lived up to the best tradition in regard to supplying an adequate sinking fund in the past, the most creditable effort has been made by British Columbia. At the end of the last fiscal year the province of British Columbia carried a sinking fund of $18,064,669 against a gross funded debt of $71,432,261, and a net debt of $38,775,267. At the same period Ontario reported a sinking fund of only $7,139,497 against a net debt of $98,351,478. Apart entirely from the question of security, it is evident that the carrying charges on a debt that is repeatedly refunded rather than being retired constitute a large portion of the debt itself and are an unnecessary drain upon the pocket of the taxpayer.

Welcomed by Taxpayers

But the plan proposed by Provincial Secretary Price is directed to the elimination of this extra charge on the taxpayer over the period specified without any very material increase in the burden at the moment. Debt amounting to $150,000,000 will be wiped out by forty annual payments of $1,241,700 and interest. The saving that this will involve may be illustrated by the accumulated interest on a loan of $1,000,000 at 5 per cent. for forty years which would amount to $2,000,000. The amount of the debt would then be $3,000,000 under the refunding plan. By the sinking fund plan, however, there would be an annual payment of $58,278 which would amount to $2,331,127, over forty years. The taxpayer has thus been saved $668,873. He paid $8,278 more each year, however, so that the net saving was $337,753.

An analysis of the difference in the carrying charges between the two methods makes it difficult to understand why any province or municipality would fail to introduce the sinking fund method. It has been amply illustrated of late that the carrying charges on loans are among the chief contributors to heavy municipal and civic costs. The tendency, both here and in the United States, is for all those cities and municipalities who have not already adopted the sinking fund system to do so. The Bond Dealers' Association and some of the larger investment banking houses in Canada have urged the adoption of this method for some years, and have expressed their approval of the proposal made by Ontario's provincial treasurer as well as the action of some of the other provinces who have recently taken steps to place their finances on a sinking fund basis.

Municipal Notes

NEW TRANSPORTATION ISSUE

Toronto City Council passed a by-law this week authorizing the issue of debentures to raise $1,500,000 to complete the capitalization of the Transportation Commission. This will bring its total capitalization up to $43,350,000.

COUNTY ROAD CONFERENCE

The question of the re-classification of the county roads of the Province of Ontario was the main topic of discussion at the conference held this week between representatives of about one half the counties in Ontario, and the provincial highways department.

CITY RECEIVES PARK

The offer of the executors of the estate of the late Sir Edmund Osler to give the City of Toronto 11.36 acres of land in Rosedale, with certain greenhouses, for a public park, to be called "Craigleith Gardens," was accepted by the city council on Monday. The property is at 152 South Drive. Land is assessed at $97,750, and the residence, which is to be pulled down, at $25,000.

NOVA SCOTIA FINANCES

The assessed value of property in the Province of Nova Scotia for the fiscal year ending April 30, according to a statement just issued, was $168,416,410. The total funded debt, including the recent issue, was $31,658,180. Deducted from this is a sinking fund on non-revenue producing debt amounting to $2,081,975, and other items totalling $9,638,164. The net debenture debt thus amounts to $19,938,039. The total provincial revenue for the year ended September last was $5,461,383, and expenditure for the same period was $5,577,872. Total value of natural resources is estimated at $1,078,946,800.

HYDRO DAM REPAIRS

The hydro-electric system of the city of Winnipeg will be obliged to make a capital expenditure of $300,000 for repairs to its dams at the power house on the Winnipeg River, according to estimates made by engineers. Leakages in the rock-fill dam have been giving trouble during the winter and the city has already spent $30,000 for repairs It is not yet stated whether or not an increase in power rates will be made to offset the expenditures.

SASK. BUILDS BRIDGES

Spring floods in the southwest portion of the province having partially washed out or seriously damaged a large number of timber bridges, the Department of Highways has had to extend its 1925 bridge building programme to meet the situation, states Hon. J. G. Gardiner, Saskatchewan Minister of Highways.

"In addition to an extensive programme of steel reinforced concrete bridges, a large number of timber bridges will be constructed this year.'

The first three contracts in the 1925 bridge programme have been awarded by the Department. All three are for 80 feet steel reinforced concrete bridges with suspended flooring. Cement, piling and reinforcing steel are supplied by the Department.

TORONTO HYDRO MAY DRAW ON RESERVES

Present Rates Not Sufficient to Meet Current Operating And Fixed Charges

According to indications at the moment the Toronto Hydro system will be obliged to fall back on the reserve set aside for the stabilization of rates as present rates do not appear to be sufficiently high to meet operating and fixed charges during the current year. This method will be resorted to in preference to a raise in rates, according to information set out in the annual statement just issued. Authority to make an increase in rates would have to be obtained from the Hydro Electric Power Commission of Ontario.

The reason given for the difficulty in meeting expenses on the present rate basis is the increased cost of power to the provincial commission. As set forth in the report, the energy purchased from the provincial system during the year came to $4,061,201 or 47.8 per cent. of the gross income against $3,134,723 or 42.6 per cent. of the gross income in 1923. Instead of the originally named cost of $24 per horsepower, the cost finally came to $25.

An analysis of the statement as at December 31 shows reserves of $12,235,348, and total assets of $32,975,271. The net funded debt, less sinking funds in the hands of the city treasurer, amounted to $19,456,175. Current liabilities and amounts due to the city treasurer but not yet payable, totalled $1,283,746.

An interesting record of progress is shown by a comparison of the present statistics of the company with those of a dozen years ago, as illustrated in the following table:

	1912	1924
Meters used	13,858	141.459
Kw. hours sold	35,176,548	486,708.476
Street lights	33,824	49,855
Peak load h.p.	17,198	191,803
Connected load	46,296	542,074

Tenders and By-laws

TENDERS WANTED

May 23, Village of Cayuga.—$20,000, 5½ per cent., 20-year hydro debentures. E. B. Davis, clerk.

May 25, Township of Tisdale.—$42,000, 6%, 20-year debentures, for school purposes. Frank C. Evans, treas., South Porcupine.

May 30, Township of Cumberland.—$1,402, 6%, 6-year. W. W. Dunning, township clerk, Cumberland.

June 1, Village of Crystal Beach.—$67,000, 5½%, 30-ins. debentures. J. O. Page, village clerk, Crystal Beach.

May 25, School Commissioners of the Town of West Hampstead, P.Q.—$50,000, 5 per cent., 40-year bonds. Lewis Brimacombe, sec.-treas.

May 25. City of Riviere du Loup, P.Q. —$170,000, 5 per cent. serial debentures. Joseph Label, sec.-treas.

May 30, Orillia—$65,000, 5½%, 30-instal. debentures. C. E. Grant, Treasurer. (See announcement on page 16).

June 2, Moose Jaw School Trustees.—$93,000, 5½ per cent., 30-year debentures. Alternative bid called for debentures repayable in Canada only, or repayable in Canada or United States. E. B. R. Pragnell, Central Collegiate Institute, Moose Jaw. (See announcement on page 16).

June 2, Town of Drummondville, P.Q. —$55,000, 5 per cent. term bonds maturing 1965. C. H. Lalonde, clerk.

June 2. Town of Jonquiere, P.Q.—$145,000, serial 5½ per cent. bonds maturing 1926 to 1955. J. M. Lacroix, clerk.

June 3, Campbellton—$65,000, 5 per cent. general debentures, maturing 1945. John T. Reid, Town Clerk. (See announcement elsewhere in this issue).

SASKATCHEWAN

Authorizations granted by the local government board, from May 2 to May 9, 1925.

Schools: Dorothy, $2,500; Pioneer Grove, $1,600; Belton, $1,500; Aldenburg, $1,200; Newlyn, $4,500; Barrier Valley R. Mun., $8,000.

Debentures Reported Sold

New Dale S. D., No. 4592, $1,500, 15 years, 6 per cent., Nay & James, Regina, Sask.; McPherson, S. D., No. 618, $600.00 6 years, 6¼%, Regina P. S Sinking Fund, Regina; Limerick, S. D., No. 2686, $6,000, 20 years, 6 per cent., Nay & James, Regina, Sask.

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LABOR ARBITRATION COMPULSORY IN N.S.

First Province in Dominion to Introduce This Method of Settling Labor Disputes

From Our Own Correspondent.

HALIFAX. — Compulsory arbitration has become a law in Nova Scotia. This is the first province of Canada to attempt to place upon its statute books so drastic an instrument for the settlement of labor troubles. The measure is based on the New Zealand law, which it is said it practically duplicates, with some phases of the Kansas Act, which has recently been declared ultra vires of the United States Constitution. Compulsory arbitration, as a part of some other measure, was a principle recognized in the province when legislation dealing with labor was passed, toward the close of the last century.

What is known as "The Industrial Peace Act" was a measure in two parts; the first was introduced into Nova Scotia as provincial legislation, the Lemieux Act, which had been declared by the Privy Council to be ultra vires of the Federal jurisdiction; and the other was the Compulsory Arbitration Act, provided as the final resort for settlement of strike if the conciliatory efforts of the Lemieux Act, as applied in the province, were to fail.

The bill, as amended and passed by the Legislature, is applicable only to public utilities and coal mines, but provides for other industries to come under it at their own initiative. As soon as it was introduced in the Legislature it was attacked by the Cape Breton Labor members as having been introduced as a direct effort to settle the strike in the coal fields. So far as that goes, it was thus taken by the general public, and it is fairly well understood that the government was quite willing to leave that impression with the public. One very significant amendment to the Act is to the effect that it may be made retroactive and applied to any strike or lockout when the Act goes into effect.

Twin City
DOES the outlook for the company seem to warrant an increase in the value of the shares?
OUR review of current events should be of interest to shareholders and prospective buyers. May we send you a copy?
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Insurance for Buyer and Seller

EMPLOYEES ARE PROTECTED FOR FIVE BIG HAZARDS

Head of Big Railroad Tells of Advantages of Group Plan

By J. F. LOREE,
President, The Delaware and Hudson Ry.

That group insurance has its advantages can not be denied. The effect of the financial assistance already rendered Delaware and Hudson employees and their families in times of need is difficult to approximate. In many cases, no other provision has been made to protect against the inevitable.

While our group insurance has been in effect but three years, the results therefrom are obvious; first, in the widespread benefits to employees' families; second, taken in connection with other activities, it has been of value in establishing a reasonably contented personnel; and, third, in the marked decrease in turnover.

We consider ours the most comprehensive plan of group insurance as applied to railway employees. Our insurance plan was designed to protect employees against the five major hazard of life: sickness, accidents, unemployment, old age and death. The plan was placed in effect by The Delaware and Hudson Company on January 1, 1922.

Life Insurance—Under the plan, each employee in the service of the company six months or more was given a life insurance policy without cost; the employee with two years or more of service to his credit was given $500 life insurance, with total and permanent disability provision, without medical examination; and the employee with six months, but less than two years of service, $250 life insurance with similar advantages.

On April 1, 1922, The Delaware and Hudson Company employees were given an opportunity to secure additional insurance, under the following contributory plan.

An employee in the service six months, but less than two years might subscribe for $250 additional insurance, making a total coverage of $500, for which the employee paid a portion of the premium on the additional insurance; employees two years or more in the service were given several options—first, $500 additional insurance with a further option of an additional amount limited to the average annual compensation for the preceding two years, but not in any case in excess of $5,000. The company assumed a portion of the cost of the additional insurance, providing protection at a cost not obtainable elsewhere.

Health and Accident Insurance — A policy covering loss of work from sickness is provided for, with benefits of $15 a week for a period of twenty-six weeks beginning with the eighth day of incapacity. A policy covering loss of work by accident, exclusive of injuries covered by workmen's compensation laws, is provided with benefits of $15 a week for a period of twenty-six weeks beginning with the eighth day of incapacity. The total cost of this insurance is paid by the employee.

Death and Dismemberment Insurance—Further, employees under 60 years of age are able to obtain accident insurance covering death or dismemberment from any accidental cause, including accidents covered by workmen's compensation laws, the total of such insurance not to exceed the amount of life insurance carried under the plan, thus in effect giving the double indemnity feature.

Unemployment Insurance — Another provision is made under the plan to insure against unemployment resulting from dismissal for any cause, and providing payments of $15 a week (employees whose average annual wages during the preceding two years did not exceed $1,000 are paid $10) for six weeks or for so much of that time as the employee may be unable to find employment, provided he has subscribed for and contributed toward the cost of at least two of the three forms of insurance. The total cost is borne by the company.

Pension Plan—The company continues its pension plan of payments to employees retired from active service because of physical disability after 65 years of age, or upon reaching the age of 70 if in good health.

Of these five forms of insurance, which are the employee's protections against the hazards of life, the cost of two is borne wholly by the company, two by the employees, and one is shared by both.

Almost $1,000,000 Paid in Benefits—during the three years group insurance has been effective:

Claims and Character of Benefits	Amount
353 Life	$417,412
1,470 Health	154,529
158 Accident	11,726
18 Accidental Death and Dismemberment	29,100
19 Total and Permanent Disability	7,582
87 Unemployment	6,375
(Aver.) 277 Pensions	306,360
Total	$933,086

During the year 1924, of 159 employees who died, 123 were eligible and insured under the group policy. For the entire period the insurance has been in effect an average death claim of $1,182.51 has been paid. Sick claims averaged $105.12; Accidents, $77.73; Accidental Death and Dismemberment, $1,616,66; Total and Permanent Disability, $399.06; Unemployment, $73.28; Average Annual Pension Allowance, $449.21.

Railroad employees have the same interest in protecting their families as the average citizen, but, as in the case of the average man, such coverage is limited by ability to pay its cost. Group insurance affords not only additional protection, but at an unusually low rate.

In this connection, it might be stated that prior to the introduction of group insurance comparatively few employees carried accident insurance, while sickness insurance was almost unknown.

It must be apparent, in the distribution to families of the large sum of money mentioned above in 2,105 individual cases, that group insurance has been of inestimable benefit in aiding employees and their families in meeting expenses in the case of death, injury or sickness.

The Plan Strengthens Morale—By the contributory features of our plan thrift has been taught. The protection afforded has brought a sense of security and ease of mind to the employee unknown before, and, judging from the expressed appreciation of the plan, the favorable reaction in the strengthening of morale is unquestionable.

When the plan was first introduced some of the employees declined to subscribe and in some instances were active in their opposition. This feeling has disappeared with time and experience with the working of the plan, and many employees who failed to take advantage of the opportunity to secure the insurance without medical examination have applied for the insurance, and to secure it have taken the necessary medical examination.

Turnover of Insured Less Than One in Twelve—The success of the plan in operation has not only awakened interest in the protection afforded but has resulted in increasing the number of employees subscribing. On February 1, 1925, of the 12,705 employees eligible for insurance, 10,962, or 86.2 per cent. of the total, were insured under the contributory provisions of the plan.

Unemployment insurance, as applied by The Delaware and Hudson Company, is a new venture and one that has awakened considerable interest. Aside from the benefits enjoyed by the individual who may be visited by misfortune, this insurance has aided in the stabilization of the personnel and promoted a happier employment relation.

Two of the best illustrations of the effect of group insurance are that during the year 1924 only 7.6 per cent. of the insured two-year employees left the service, and number of employees in service less than six months showed a decrease of nearly 50 per cent. as compared with the period just prior to the introduction of the insurance plan.

TORONTO AGENCY EXPANDS

The rapid expansion in the business of the Canada Life Assurance Company is reflected in a number of extensions in the field departments. The entire head office building is now used by the company except part of the ground floor, which the Chartered Trust and Executor Company occupy. The Toronto City Branch has recently secured new quarters in the Jarvis Building on Bay Street.

A number of additions have recently been made to the personnel of the agency. W. J. Irvine, formerly Toronto sales manager of the National Cash Register Company, will do special work, and others who have joined the staff are Robert Lawton, formerly contract manager of the Murray-Kay Company, Miss Emma Hennessey, G. W. Hurlburt, John H. Watson and J. H. Wilds.

INSURANCE LICENSES

The Department of Insurance, Ottawa, has issued the following licenses: Scottish Union & National Insurance Society, earthquake insurance; Central Manufacturers Mutual Insurance Co., automobile insurance; the Prudential Insurance Co., tornado insurance; British Traders Insurance Co., insurance against damage by gas explosion; the Russia Reinsurance Co., sprinkler leakage insurance.

The Record of Fire Losses in Canada

Place	Property	Date	Loss	Insurance	Cause
	Quebec				
Beauceville	J. Poulin, garage; L'Eclaireur building	May 4	18,000	......	......
St. Mark des Carrieres	Standard Lime Co., building	May 5	15,000	......	......
Athelstan	J. McFarlane, residence	May 7	heavy	$1,050	stove
Fabre	M. Gagnon, garage and car	May 6	4,000	none	......
Saint Albert	M. Cayer, barn	May 5	3,000	......	......
	Ontario				
Toronto	Union Stock Yards	May 13	12,000	......	matches
Toronto	Farquharson Business College	May 12	2,000	......	unknown
Toronto	Lake Simcoe Ice Co., ice house	May 12	10,000	......	......
Toronto	Caldwell Vinegar Plant	May 12	30.000	......	unknown
Harwich	A. Johnston, barn	May 7	7,000	2,400	......
Ottawa	Ottawa Electric Ry., machine shop	May 6	6,000	......	......
Kapuskasing	D. J. Bernard, residence	May 6	1,000	covered	stove
Porcupine	J. Cunningham, livery stable	May 6	2,000	none	unknown
Trafalgar	W. H. McHugh, barn & contents	May 6	6,000	partial	unknown
Longue Sault Island	Pine Grove Realty Co., barns	May 7	3,000	partial	......
Orangeville	McNaughton Bros., barn	May 7	8,000	......	lightning
Toronto	Manton Bros., barn	May 14	1,000	......	......
Cochrane	Bank of Nova Scotia bldg.	May 1	9,000	......	......
Renfrew	H. Leek, res.	May 8	3,500	3,000	......
Burlington	Town Hall	May 6	7,000	......	wiring
Brantford	G. T. Folsetter, barn and cont.	May 18	10,000	partial	......
Stratford	A. R. Low, barn	May 11	6,000	partial	......
Blind River	P. M. Freemont, sawmill and box factory	May 18	20,000	none	......
Stoney Creek	M. Dean, store; M. John, store; F. Cline, store, E. Vandusen, res.	May 18	10,000	......	lightning
London	Lew Summers, store	May 10	2,500	......	unknown
	Saskatchewan				
Yellow Grass	C. Swindt. res.	May 7	5,000	partial	......
Herbert	B. J. Miller & Co., store	May 7	heavy	covered	......
	Alberta				
Didsbury	Liesmer Hardware Co. Berscht Men's Wear, 2 stores	May 6	50,000	partial	......
Provost	Macklin Garage	May 6	12,000	4,000	unknown
	British Columbia				
Port Alberni	C. Hansen, res.	May 1	3,000	partial	......

WHEN BENEFICIARY IS MINOR SHOULD APPOINT TRUSTEE

Position of Children Under Uniform Life Insurance Act

Many points to be remembered by those buying life insurance were emphasized by M. D. Grant, of the Sovereign Life in a recent address to Manitoba Underwriters on the new Uniform Life Insurance Acts. Some important points for those making children beneficiaries were made. He stated:

"The insured may at any time appoint a trustee for any beneficiary, may revoke or alter the terms of such appointment, or appoint a new trustee. The rights of a preferred beneficiary can not be tampered with, however, although the right of the insured to do as he pleases within the preferred class is in no way curtailed.

"Where no trustee has been appointed by the insured to receive the shares to which minors or lunatics are entitled, such shares may be paid to a duly appointed guardian, tutor or trustee for such minors; or to a curator, committee or trustee on behalf of lunatics and other persons under disability. Formerly in most of the provinces the shares of infants could be paid to the executors of the insured. In Ontario and Saskatchewan such shares had heretofore to be paid into court unless a trustee had been named by the insured for the purpose. In no case can payment be now made to the insured's executor unless appointed as guardian or trustee as well, but, in the absence of a trustee appointed by the insured himself, payment can only be made to a guardian or trustee appointed by law. Failing such appointment within one month after maturity of the contract, the company may pay the share of an infant into court, in accordance with a relatively simple procedure now laid down in the Uniform Act. Where insurance moneys not exceeding $2,000 are payable wholly or in part to the insured's infant children, the court may appoint as guardian the surviving parent of the infants.

"The shares of infants may, under the special circumstances noted in the last paragraph, be paid into court, no order of the court itself being required."

Where the lives of children themselves are insured the following applies:

A minor over the age of 15 years may insure his own life, and do everything else incidental thereto, as if he were of full age. A policy taken by a minor under 15 on his own life is not binding on him if he sees fit to repudiate it, but will become binding if he "affirms" it after 15. Affirmation may come about through direct acceptance or indirectly by continuing to pay premiums. Promissory notes given by minors under 21 years of age are not enforcible, but liability for the premium will continue.

As already stated, the Act gives a parent an insurable interest in the life of his child, but if the child be under the age of 10, the total amount payable at death is severely restricted to a scale gradually increasing from $20 at age 0-1, to $400 at age 9-11, but the contract may always provide for the return at death of all premiums paid, with interest. It should be specially noted, however, that if the person effecting the insurance has a pecuniary interest in the life of a child of any age, the policy will be valid for the amount of such pecuniary interest, however large. After age 10, there is no restriction as to amount payable, always assuming that the parent, guardian or other person originally effecting the insurance, had a proper insurable interest in the child's life. Violation of this section, or failure to print the scale of benefits in policies or circulars covering children's insurance, renders the company liable to specified penalties.

After attaining age 15, a minor, with the written consent of the person effecting the insurance, may thenceforth exercise sole control over the policy, as if he were of full age.

MUTUAL LIFE AND CITIZENS

At the annual meeting of the Mutual Life and Citizens Assurance Company of Australia, held on May 7th, some interesting figures were submitted showing the company's satisfactory position in recording another year of progress. The total assets now exceed $86,200,000 with annual income of more than $11,000,000. The surplus for the year in the ordinary branch exceeded $2,800,000 and the reversionary bonuses allotted to policyholders amounted to $2,100,000. The ordinary branch new business amounted to $15,200,000 and payments to policyholders to $5,500,000. The rate of interest earned exceeded 5.25 per cent., this being 2.25 per cent. higher than the rate assumed by the actuarial valuation. Expenses in the ordinary branch were 13.1 per cent. and in the industrial branch 34.9 per cent., the combined expense rate being 21.1 per cent.

FOREIGN POPULATION

CALGARY.—Alberta's total foreign population, according to a recent bulletin issued by the Bureau of Statistics, is an excess of 180,000 with approximately 100,000 American included in this total. About 5,000 Americans are resident in this city.

IMPERIAL OIL'S EMPLOYEE STOCK OWNERSHIP PLAN

(Continued from page 1)

Ross, who was made chairman of the board of trustees, the company announced:

The general purposes of the Co-Operative Investment Trust established by the directors of Imperial Oil, Limited, are: the creation within the organization of a body of shareholders embracing all of those who contribute in any degree to the conduct and operation of the business; the encouragement of thrift; and the extension of the actual condition of partnership within the industry which it has always been the endeavor of the directors to promote.

The plan was thrown open to all employees. The intention to invest the funds of the trust in stock of the company was made clear. It was stipulated that failure to make payments might result in forfeiture of stock, but principle would be returned with interest at 6 per cent. compounded. Prices at which stock was secured by the fund was fixed by the company at the beginning of each year for the succeeding 12 months. Employees were allowed to withdraw and receive principle invested with interest. Assistance was afforded deserving employees to that payments could be postponed without forfeiting rights in the fund.

In addition to the chairman, the trustee board consisted of four employees: C. T. Griggs, the assistant treasurer; and Percy Kitson, secretary of the trust, representing the office departments, and T. S. Palen of the Princess Street yard Toronto, and J. C. Hampton of the acid plant Sarnia, representing the works staff.

Keeping Them Sold

Realizing that the permanent success of the experiment is largely dependent upon the course now to be taken by the workers who are being given stock out of the fund, the management of the Imperial Co. is using its influence to impress upon the new shareholders the advantages of keeping their stock as an investment. Regarding future plans, the following statement has been made on behalf of the Investment Trust by Victor Ross as chairman:

It is impossible at the present time for the directors of Imperial Oil, Limited, to reach any conclusion as to whether or not the present Investment Trust should be followed by a plan which, whatever its terms or provisions, should have the same object in view. The reason for this is that the directors serve not only the employee shareholders who acquire their stock under the present Trust, but the very much larger number of other shareholders who represent to-day ninety-seven per cent. of the ownership of the business. These other shareholders have contributed one-third of the cost acquired by the employee shareholders (fifty cents for every dollar paid in by the depositor) in order to bring about a condition of an employee partnership in the business. If this result is not accomplished, the directors are not justified in asking the shareholders to continue any contributions for a purpose which has been shown to be unattainable.

At a market price of the new Imperial Oil stock of $30 per chare, the return on the present dividend is 3.33 per cent. This, however, does not represent the return on the actual investment of the depositor. The return to the depositor is what he receives on what is actually paid in. Assuming an employee's proportion of the accrual amount to be 9.53 per cent. (the present estimate) his return on the capital he has actually invested, if a depositor for the full period of the Trust, is equivalent to 7.29 per cent., on the basis of a 25 cents per share quarterly dividend.

While the trustees, of course, recognize that among some 3,000 depositors, there will arise a number of individual cases in which the pressing needs or obligations of depositors will necessitate the sale of some of the stock, it is gratifying to the trustees to note from the letters so far received, that a considerable number of those in the Trust desire and intend to retain possession of their stock.

Prior to November 1st next it will be possible from the books of the company to determine exactly what proportion of the stock acquired by the employees participating in the plan is then held by them. With this information as to the degree of partnership which has been attained, as a basis, the directors will then be in a position to consider—from the standpoint of all of the shareholders—whether or not a new plan is desirable, and if so what its terms and conditions shall be, being guided in their conclusions largely by the results shown at that time.

It is proper to add that if it should be found advisable to adopt a new plan, any such new plan will provide that the right of any employee, who has acquired stock under the former plan, to participate therein shall be conditional upon his retaining, during the period of such new plan, the ownership of a certain substantial percentage of the stock acquired by him under the present plan.

HONEY PRODUCTION

WINNIPEG.—The 1,800 beekeepers in the bee Province of Manitoba, with 22,113 colonies, produced 1,302,000 pounds of honey valued at $195,000 in 1924, according to the official returns made by the Provincial Apiarist.

THE REWARD OF WISDOM AT THIRTY

Policy P.21296 (age 30) for $5000 (20 Payment Life) issued 1904—Annual Premium $158.50—Total paid $3170.

CASH VALUE AT MATURITY 1924 ... $4250
EXCESS OVER PREMIUMS PAID ... 1080

Policyholder had option of continuing policy as a fully paid-up participating contract for $5000 and withdrawing surplus $1665; or applying surplus in purchasing a participating bonus addition of $3220.

Protection with Profit

The Great-West Life Assurance Company
HEAD OFFICE WINNIPEG

In addition to the protection for 20 years

18

June 1 is Deadline For Fake Promoters in N. Y.

New York State's war on fraudulent stock sales and promotions is steadily gaining momentum. The Martin Act introduced a few years ago in the legislature has this year been materially tightened by the Webb blue sky law. Attorney General Ottinger has set June 1, as the deadline for dealers in stocks, bonds and other securities to comply with requirements of the Martin Act to publish notices of intention to sell or solicit subscriptions within the state.

GASOLINE TAX NOT ASSESSABLE

Merchants and manufacturers using automobiles in their business may deduct the new 3 cents gasoline tax from earnings in filling out their income tax forms.

Canadian Grocer took this matter up with the Income Tax Branch of the Department of Customs and Excise at Ottawa and received the following ruling by T. W. Breadner, Commissioner of Taxation:

"Where the department, in determining the net income for assessment purposes under the Income War Tax Act, admits a charge for the maintenance and operation of a motor vehicle used in the business of a taxpayer such cost of operation will be increased by the gasoline tax in provinces where such tax is imposed, and in that case such charge would be admitted by the Department as an expense for assessment purposes."

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CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
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Superintendent of Agencies

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No matter what fate may have in store for you—Fire, Burglary or Accident—policies with this Company give absolute assurance against financial loss.

We enjoy an enviable record for prompt settlement of claims.

The Western Assurance Company
of Toronto
Established 1851

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
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G. E. BAILEY, Secretary
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LIFE INSURANCE SALESMEN

with organizing ability. Preferably 30 to 40 years of age. To appoint and assist resident agents. Salary, travelling expenses, and commission. Full particulars as to qualifications and references requested with applications.

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602 Temple Building, Toronto.

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Why make the administration of your estate the "side line" of a private investor when such duties are the main business of this Corporation—a trust company specially organized for the work and with a wide experience in it? By so doing your estate can be made to yield the best possible returns for your heirs consistent with safety.

We solicit the appointment of Executor and Trustee of your Will.

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London (four) Windsor, Regina, Chatham, Montreal, Edmonton, St. Thomas, Winnipeg, Victoria.

"What Will Become of My Estate?"

Have you ever asked yourself that question?

The Law, of course, provides for the distribution of the possessions of those who neglect to leave a Will. Do you know just what shares are provided for a man's wife, children, mother, brothers, nephews, etc?

For the sake of your family it will pay you to ask our Manager for this information.

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T. G. Meredith, K.C., President
Hume Cronyn, General Manager

Textiles

HIGHER EARNINGS SHOWN IN REPORT DOMINION TEXTILE

Showing Equivalent to $5.26 Per Share for the Year

From Our Own Correspondent.

Montreal.—The annual report for year ending March 31, which was published this week by the Dominion Textile Co. should be well received by the stockholders, for, despite the fact that the year just past has been one of great difficulty for the textile companies in general, the management of "Textiles" has been able to increase earnings.

Half of the period under review saw many of the companies mills working as low as 40 per cent. full time, yet the earnings from manufacturing show an increase. In addition, the company during the year, by the retirement of a bond issue totalling 1¾ millions accomplished a piece of financing which would have embarrassed many a larger concern and the resultant change in the working capital position is, practically negligible. The raw cotton account is worthy of notice. It stood at a low figure at the end of the fiscal year and since that time prices of the raw material have fallen off.

The annual statement of the company show a healthy increase in earnings over the preceding year. On the common stock, the earnings amounted to $5.26 per share as compared with $4.13 for the preceding year.

The total profits from manufacturing were some $80,000 higher than in the preceding period and stood at $1,684,908, but the largest increase in profits came from increased interest on investment which was $253,579 or up $100,000 from the preceding year.

Margin Over Dividends

The total net profits were considerably higher with the result that $275,013 was added to surplus as compared with $30,092 last year.

On the balance sheet there are two changes which effect the shareholder. The first is the reduction of the bonded debt, and the second is the reduction in the assets under the heading of plant amounting to $642,079. The first means that for the future fixed charges will be lower and that the stockholder has a greater equity in his company and the second indicates the conservative writing down of plant for depreciation.

Comparing Profit and Loss

Following are profit and loss figures for the year 1924-25, in comparison with those for 1923-24 and 1921-22:

	1924-25	1923-24	1921-22
Profits	$1,684,908	$1,604,607	$1,768,861
Interest	263,579	162,922	138,376
Total inc. ...	$1,948,667	$1,767,529	$1,907,237
Bond int.	637,812	659,513	*750,286
Balance	$1,310,855	$1,108,016	$1,156,951
Bad debts	......	**42,081	501,000
Net profit ...	$1,310,855	$1,065,934	$1,106,951
Pfd. divs. ...	135,842	135,842	135,842
Balance	$1,175,013	$930,092	$971,109
Com. divs. ..	900,000	900,000	600,000
Surplus	$275,013	$ 30,092	$371,109
Pres. surp. ..	5,390,002	5,359,910	4,636,591
Total surplus	$5,665,015	$5,390,002	$5,007,700

* Including bond discount and rent.
** Including pension fund provision.

Working Capital Position Better

Of course, the liquid position of the company shows a drop due to the fact that early this year $1,767,250, 6 per cent. bonds were redeemed. But the lowering of the working capital is only to the extent of $950,157. The ratio of current assets to current liabilities stands at approximately 9 to 1. Current assets are lower by about $600,000 and current liabilities are up about $340,000.

The working capital position of the company at the close of business in the last two years compares as follows:

	1924-25	1923-24
Current assets	$9,698,687	$10,311,476
Current liabilities	1,190,456	853,094
Working capital	$8,508,225	$9,458,382

The president, Sir Charles Gordon, in his remarks to shareholders, says in part:

"The first six months' operations of our fiscal year were very disappointing, but the volume of business during the last six months was very satisfactory, and the business outlook is better than at this time last year.

"Our southern raw cotton purchasing department continues to show satisfactory results, supplying a very large proportion of our requirements at prices materially below those which cotton merchants supplying mills similar to ours were charging.

"The eight cotton mills, bleachery and print works have been fully maintained and are in excellent condition for economical operation."

Canadian Cottons in the Power Business

From Our Own Correspondent.

MONTREAL.—The annual general meeting of Canadian Cottons which was held here this week was the occasion for the expression of satisfaction at the results of the past year's operations. In addition, a further improvement in the business for the current year was forecast. A. O. Dawson, the managing director, stated that the company is in a better position now than a year ago, as the plants are all working, whereas last year at this time they were busy only three days a week.

The first six months ought to be better, he said, as the amount of business on the books now is greater, and delivery should be made as stocks of merchandise throughout the country are low. The results which will be achieved during the second six months will depend on the cotton crop. If prices for raw cotton remain high the resulting high price of the finished product will depress consumption and thus retard production.

Conditions in the cotton industry in the United States, and generally throughout the world, stated Mr. Dawson, are very bad and he was confirmed in the opinion expressed in the annual report that cotton manufacturing can only be made profitable by keeping the mills in a high state of efficiency and by the practice of the utmost economy.

At a special general meeting held immediately after the general meeting a by-law was passed empowering the company to apply for supplementary letters patent authorizing the development and sale of hydro-electric power. It was explained that this was merely a matter of form, as the company has been selling this power for some time, but that this step was taken to obviate any doubts as to the company's legal right to sell its surplus power. It was stated that income from this source will be about $30,000 per annum.

The directors were re-elected for the ensuing year.

MUNICIPAL HAIL ASSOC. HAS PAID 11 MILLION LOSSES

New System After Bad Year In 1916 Has Worked Out Well

From Our Own Correspondent.

REGINA, SASK.—Saskatchewan Municipal Hail Insurance Association reserve is now $1,600,000, and it has paid farmers $11,500,000 or near one million dollars yearly in payment of claims for hail loses since first instituted in 1912. The association hopes to double the present reserve says E. G. Hingley, secretary, when this is done the rates paid by the farmers can be materially reduced as while it now provides insurance at cost, part of the cost is an adequate reserve for future protection.

At one time the territorial government and then the provincial government carried on a hail insurance business as a government monopoly. After considerable money had been lost in the settlement of claims it decided to abolish government insurance and leave the field open to companies doing a hail insurance business. This was apparently not satisfactory to a large number of farmers and at the instigation of the Grain Growers' Assoc. a system of municipal insurance was enacted by the legislature of the province. This legislation did not then and does not now make a monopoly. Municipal insurance only becomes operative in a municipality after a bylaw has been voted upon by the ratepayers.

"The original Commission Act of 1912 provided that revenue be raised by a tax against all the assessable land in the municipalities with the exception of the unpatented homesteads and fenced pasture lands which were exempt from assessment if withdrawn by the owner.

"The indemnity which it was proposed to pay was $5.00 per acre for a total loss by hail and proportionate amounts for partial loss down to 50 cents per acre. The tax levied annually was 4 cents per acre or $6.40 per quarter section. It has paid claims as high as $3,200 upon a section of land with a premium of $25.60 despite the fact that hail storms occur with more or less frequency during the summer months. The year 1916 brought disaster. More land had been brought under cultivation, which of course increased the risk and as the year was, in addition, one of exceptionally bad storms, the commission at the end of the season faced a loss of over $3,600,000 with only approximately $1,500,000 to meet it and no other source to look to for additional revenue. The only thing that could be done was to pay the claims upon a pro rata basis and carry on, which of course was permitted under the Act. The payment of 40 per cent. of the amount the farmers expected to receive caused considerable dissatisfaction which has not been entirely overcome even at this date.

"Following 1916 the commission system was abolished and the municipalities interested elected a board of nine directors and this form of management has been continued ever since.

"In 1919 the association departed from the system of raising its revenue entirely from a flat rate of 4 cents per acre upon all assessable land; and levied a rate upon the crop in addition to the flat rate. The Act also allowed individual farmers to withdraw from the scheme and avoid the payment of any hail taxes whatever. It was fortunate that this was done as the losses of 1919 were fairly severe. A storm on July 1, when a large number of farmers had not insured their crops with the line companies, cost the association over a million dollars alone, and in one municipality over $180,000 was paid."

ALBERTA COAL RESERVES

EDMONTON.—Sixty-two billion tons of coal half of this amount recoverable, lie beneath the surface of Alberta soil, according to Prof. J. A. Allen, Provincial Geologist and head of the Provincial University's Department of Geology, in a statement made before the Alberta Coal Commission.

Free of Normal Income Tax

Exemption of Preferred Stock dividends from normal income tax is causing security buyers to turn to well seasoned dividend paying Preferred Stocks.

Suggestions sent upon request.

F. H. Deacon & Co.
227 Bay St., - Toronto

Jail in Future for Smugglers to Save Canadian Business

Six months or a year in jail is to be the minimum penalty on wholesale smuggling if Canadian manufacturers have their way. Pressure is being brought to bear upon the government to make it an indictable offence with imprisonment as the consequence for smuggling goods of a value of more than $100, instead of just a fine.

To convince the government that much smuggling is going on and that not only the Canadian customs is being cheated out of millions of dollars but that the Canadian industry and Canadian labor are suffering, those who are anxious to see the screws put on are fighting the smuggler. The loss to the entire country with everything included is estimated to be at least $50,000,000. "It is astounding," said a man who has been keeping close tab on smuggling operations, and who is reported by Dry Goods Review, "the quantities of goods that are being brought across the border surreptitiously. Few in Canada have any conception of what is going on in both the smuggling of liquor from Canada into the United States and in bringing dry goods of various kinds into Canada by the same parties.

"The United States have several thousand miles of coast line from which goods can be sent into Canada. Knowing what I know about the methods of smugglers, it is an easy matter for them to bring in goods without duty from hundreds of United States points. There are, in fact, thousands and thousands of people making a living out of this business. Along the Quebec border is has developed to a great extent because of the ease with which liquor can be carried into the United States and dry goods brought in on the return trip.

"There are many desperate men engaged in wholesale smuggling," this informant declared. "They will accept any kind of commission no matter what the chances of detection are for the sake of their fee which may amount only to $50."

M.P.'s Who Pooh Pooed

Manufacturers have spent many thousands of dollars to convince the government that this illicit trade is going on. There are men high up among the powers-that-be at Ottawa who didn't believe it was serious, but recent captures—the result of the work of the manufacturers — have shown the need of something drastic. So the government at last will be forced to use the strong-arm.

THE BENEFITS OF HOME MARKET FOR CANADIAN GOODS

Lower Taxes, Help for Railways and Jobs for Immigrants

By H. M. JACQUAYS,
Vice-Chairman, Montreal Branch, C.M.A.

There is a great range of products which we have got to look upon as necessary to us which we must import into the country and if we are to do the best we can with regard to using our own products, we still will be importing large quantities of various commodities representing large sums of money. There are, however, certain fundamental conditions obtaining in the country which, at the present time, should cause us to reduce our unnecessary importations to as great an extent as possible and to encourage correspondingly our own industries. I mention three outstanding problems: taxation, the railways and immigration.

How heavy the taxes on business and industry are I can illustrate. One company, with the figures of which I am familiar, is paying to its shareholders 7 per cent. on its capital shares, and paid in 1923 to the shareholders $1,259,741, and in taxes of various sorts, $1,217,044.22; i.e., nearly as much money was paid out in taxes as went to the shareholders. This is getting very near the limit of business taxation. But you may say the taxes are handed on. They must be. A business to be of any benefit to the country must be solvent. And no business can remain solvent and continue to operate except it sells its goods at a profit; and so the taxes are handed on, and what is the result? The cost of manufacture is increased, the selling price is increased, and who pays the taxes? The answer is: We do. Any way you look at it, we—the people of Canada—have to pay the taxes. Every one of us. If we look at the income tax, we see that a man in the United States paying income tax on $10,000 per year paid in 1924, $165; in Canada — $619.50. I cite these figures to remind us that we are very heavily taxed in this country, and to show what we are faced with as a National debt—a very great debt—a debt contracted largely in time of war and under obligations which no honorable man would hesitate to assume. We have to pay interest on this money, and hence the taxation. However honorable the debt may be, I have yet to meet the man who takes any special pleasure in paying high taxes.

Jobs for Immigrants

At a time when there are many thousands of men in the country out of work and hundreds of thousands working on short time, we must all admit that we have not a condition stimulating to immigration, or one which is likely to satisfy an immigrant once he arrives in the country. Undoubtedly, if we can take care of a good class of immigrant, we can, by increasing our population in this way, distribute the burden of taxation which we have to carry. At any rate, everybody will agree that it is a good thing to keep our own people at home. Consequently, this, in our opinion, is a third and very strong reason why every effort should be made to stimulate industry in the country at the present time; since by so doing, we are making jobs for those most deeply interested in Canada, viz., her own sons of all ranks.

I think that any one of these reasons I have enumerated, would alone be of sufficient weight to furnish ample cause why any movement tending to stimulate our industries would be justifiable. But when all these are taken together, then I feel that there can be absolutely no question that the present is a fit time to bring to the attention of every one how important it is, when purchasing all those articles which are necessary to us from day to day, that we should choose, as far as possible, such articles as are produced in Canada.

Now I have searched the estimates of expenditure of the Government of Canada for the coming year and I do not find any great decrease in the estimates, nor do the estimates show that any reduction in the rate of taxation is contemplated (and it is doubtful if we are barely balancing our budget). So it appears to me that if we are going to make this super-overhead less onerous to us all we must stimulate all our industries and increase our business; we must all get to work; we must do away with the army of unemployed. In this way and in this way only can we distribute our overhead and make it a smaller tax on each one of us individually. In this way only can we create such a condition that if our politicians are sufficiently soft-hearted they may sometime reduce our taxes.

Helping the Railways

If we can cut down our imports—say by only 20 per cent. and throw $200,000,000 of business on our own industries, how would this affect the railways?

They would get an additional income of some $30,000,000 per year. Approximately $15,000,000 would be spent in wages.

If the average wage per man per year is $1,300 this would pay the wages of about 11,500 men per year.

The Business World

The more successful companies there are employing labour the better it is for everybody.

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TWELFTH ANNUAL

Financial Statement and Directors' Report WESTERN GROCERS LIMITED WHOLESALE GROCERS

At the Annual Shareholders' Meeting of Western Grocers, Limited held at the Head Office of the Company, the following were unanimously re-elected Directors of the Company:

W. P. Riley, W. H. McWilliams, Andrew Kelly, H. W. Hutchinson and E. E. Hall.

The Directors' Statement for the year, 1924, was presented and unanimously approved.

The meeting passed a vote of thanks to the directors and officers for the results obtained in 1924 in face of unfavorable trade conditions.

Report to Shareholders

Herewith your Directors present the Twelfth Annual Statement covering the year ended December 31st, 1924. Having regard for generally unfavorable business conditions prevailing in Western Canada in 1924, we feel confident it will meet with your approval.

After deducting all operating expenses, making adequate provision by way of reserves and write-offs for bad and doubtful debts, and writing off $17,272.94 on delivery, office and warehouse equipment, the net profits for the year amount to $46,407.19. This, added to the total surplus and special reserve carried forward from last year, makes a total of $115,627.86, which was dealt with as follows:

Depreciation on Buildings for 1923	$ 14,499.05
Additional Income Taxes paid for 1919-1921-1923	9,768.82
Reserve carried under By-law No. 10	59,715.00
Surplus	31,644.99
	$115,627.86

The Surplus Account and Special Reserve, as will be seen from the balance sheet, now amount to $91,359.99.

Following our usual practice, all merchandise was conservatively inventoried. Merchandise was priced at cost or replacement values, whichever was lower. This policy is always rigidly followed by us.

Your Company has no bonded indebtedness other than an unmatured real estate mortgage of $65,000.00 and interest, which is a part of the original mortgage carried on our Vancouver building when acquired from its former owners.

We feel that, under the unfavorable business conditions in Western Canada in 1924, your Company did well to come through the year with a real profit, after taking conservative inventories and making liberal write-offs for doubtful and bad debts. In this are included accounts which, due to successive crop failures in some districts have become inactive and, for the present, are uncollectible—accounts on which we hold securities which cannot be realized on at present Your board of directors considered it good business to delete from the assets all such accounts, regardless of the fact that prospects are encouraging for collection in time of many of them.

Your Company is in a strong position financially, the liquid position of the Company being decidedly good. Bank loans were reduced $242,510.00 during the year, and obligations to the trade show a reduction of $50,817.15, or a total of $293,327.15. In four years, since December 31st, 1920, bank loans have been reduced $756,000.00, during the most of which time the company has operated the same number of branches and in the same locations. Also mortgage indebtedness was reduced by $20,075.00.

The year 1924 was a difficult year in the wholesale grocery business in the West. But even with the short crop the indebtedness of farmers in the western provinces was considerably reduced, and this ought to make for improved conditions in 1925. The company's leading position in the grocery trade in Western Canada is being well maintained, and it is in a good position to reap the benefit from improved business conditions in the West.

W. P. RILEY,
President

Winnipeg, Manitoba, May 5th, 1925.

Balance Sheet WESTERN GROCERS LIMITED

As at December 31st, 1924

ASSETS	As at 31st December 1924	1923	Increase Decrease
Current and Working Assets—			
Cash on hand and in banks	$ 132,628.48	$ 121,369.12	$ 11,259.36
Merchandise, at cost or under	1,567,763.93	1,630,164.71	62,400.78
Accounts receivable, customers'	1,259,581.60	1,444,835.74	185,254.14
Sundry debtors, including advances on merchandise	98,227.56	116,824.15	18,596.59
Prepaid insurance, interest, etc.	30,050.87	33,493.00	3,442.13
Total current and working assets	$3,088,252.44	$3,346,686.72	$258,434.28
Investments—			
Real estate, not in use for warehouses, and other investments	82,055.00	83,450.00	1,395.00
Life insurance endowment policy, cash surrender value	....	14,524.08	14,524.08
Warehouse Properties—			
Real estate and buildings, less depreciation	867,328.18	882,280.99	14,952.81
Plant and Equipment—			
Including automobiles, motor trucks, office and warehouse, equipment, less depreciation	87,249.91	89,206.57	1,956.66
Goodwill and trade marks	3,111,722.26	3,111,722.26	....
Grand total Assets	$7,236,607.79	$7,527,870.62	$291,262.83
LIABILITIES			
Bank loans, secured	$1,240,500.00	$1,483,010.00	$242,510.00
Acceptances and accounts payable to trade creditors	450,797.80	501,614.95	50,817.15
Total current Liabilities	$1,691,297.80	$1,984,624.95	$293,327.15
Mortgage, with interest accrued to date	65,350.00	85,425.00	20,075.00
Capital Stock Issued—			
Preference, the dividends on the Preferred Shares are paid to June 30, 1923	2,388,600.00	2,388,600.00	....
Common	3,000,000.00	3,000,000.00	....
Special reserve as provided for in By-law No. 10	59,715.00	59,715.00	....
Surplus	31,644.99	9,505.67	22,139.32
Grand Total Liabilities	$7,236,607.70	$7,527,870.62	$291,262.83
Contingent Liability under bank guarantee	6,000.00		

The figures in black indicate decrease.

To the Shareholders,
Western Grocers Limited.

We have audited the accompanying Balance Sheet as at December 31, 1924, with the books and accounts of the Company. We have obtained all the information and explanations we have required. Subject to provision being made for Income Tax for the year ended December 31, 1924, the Balance Sheet, in our opinion, is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at December 31, 1924, according to the best of our information and the explanations given to us, and as shown by the books.

(Signed) PEAT, MARWICK, MITCHELL & CO.,
Chartered Accountants.

Winnipeg, Man., February 12th, 1925.

HEAD OFFICE—WINNIPEG, MANITOBA.
BRANCHES:
Brandon and The Pas in Manitoba. Moose Jaw, Saskatoon, Regina, Yorkton and North Battleford in Saskatchewan.
Lethbridge and Edmonton in Alberta.
Cranbrook, Nelson and Vancouver in British Columbia.
Port Arthur in Ontario.

President, W. P. Riley. Directors: W. H. McWilliams, H. W. Hutchinson, Andrew Kelly, E. E. Hall, Winnipeg.

Use Carillon as Lever to Get Control St. Lawrence Power

That is Said to be Motive of Interest Behind the Contract Tabled at Ottawa — Where Does Government Stand?

From Our Own Correspondent.

MONTREAL.—The somewhat sensational disclosures at Ottawa this week regarding the proposed Carillon power development, have left the impression that the present government is favorable to the export of power from Canada. Hon. George P. Graham seemed to leave no doubt of this, although the prime minister was less definite.

That strong interests are trying to push the contract through is certain, and some of the names mentioned as supporting tha scheme for export of Ottawa and St. Lawrence River power to the States are names of people who have been prominent before in matters where Canada's best interests were not considered.

Opposition has come from the premiers of both Quebec and Ontario, and even such slavish government organs as the Toronto Star and the Toronto Globe are mildly opposing power export.

The big catch in the Carillon power contract is the clause which says that supply of power at Carillon is insufficient to provide for the commitments of the new company, other arrangements could be made to supply the deficit. This means in a word, that the American interests, who are behind the project, intend to develop power sites on the St. Lawrence. In other words, when Ontario and Quebec need more power they will be forced to go to the more remote and more expensive developments.

Some weeks ago, The Financial Post pointed out that in the Ottawa River there was not sufficient water nor a large enough head to develop the 400,000 horsepower which the interests back of the development always quote. Figures based on the Georgian Bay ship canal plan, and the records of the Department of Public Works show definitely that not more than 200,000 horsepower could be developed at Carillon—this, too, has been confirmed by engineers of standing.

From this it can be seen that the intention of the American interests, from the start, has been one of selling out one of the few natural advantages which Canada possesses to the industrial interests in the United States. Not only do they intend to utilize an expensive power site for our neighbors, but also the contract clearly reveals that the intention of developing other more economic sites—such as the St. Lawrence—for export.

Report Shows 120,000 H.P.

It is interesting to note, despite assurances to the contrary, that tabled with the contract is a report of one of the Government's own engineers which states that the power available at Carillon amounts to only 120,000 horsepower.

By those who are in touch with the situation here, it is thought that if the export license is granted, something of this nature will happen. First of all, the Carillon Industrial Corporation of Ottawa, the name chosen by those behind the project, will develop some 100,000 horsepower on the Ottawa River. Then, under the clauses of their contract which enables them to make other arrangements to supply the deficit of the power required, the new concern will immediately proceed to develop a site on the St. Lawrence. Development there would probably be made an excuse for a super power project which would supply most of the New England States — indeed the American interests openly admit their intention, for recently the New York Times published a story which showed that it was only the opposition of the provincial Governments of Ontario and Quebec which prevented an immediate start on this magnificent development which would turn the wheels of industrial New England—and place a premium on economical power developments in this country.

Dominion Textile Company, Limited

Annual Report For the Year Ended March 31st, 1925

LIABILITIES

Capital—Common Stock (authorized and issued, 225,000 shares of no par value)	$15,000,000.00	
" —Preferred Stock	1,940,600.00	
Bonds	5,172,000.00	
		$22,112,600.00
Deposits	$ 74,578.69	
Open Accounts (including Reserve for Income Tax)	791,057.66	
Allowance—Wages	265,000.00	
" —Interest on Bonds	25,860.00	
" —Preferred Dividend	33,960.50	
TOTAL LIQUID LIABILITIES	$ 1,190,456.85	1,190,456.85
Reserves—for Bad and Doubtful Debts, etc.		266,552.43
Profit and Loss Account		5,665,017.16
		$29,234,626.44

ASSETS

Land, Buildings and Machinery (Less Depreciation)		$19,535,944.72
Raw Cotton	$ 547,355.54	
Stock Mfd. and in Process	844,848.42	
Supplies	298,221.34	
Cash and Bills Receivable	2,062,864.32	
Open Accounts	3,058,534.52	
Insurance	135,000.00	
Investments	2,751,857.58	
TOTAL LIQUID ASSETS	$ 9,698,681.72	9,698,681.72
		$29,234,626.44

C. B. GORDON, President.
F. G. DANIELS, Director.

The President and Directors,
DOMINION TEXTILE COMPANY, LIMITED.

Gentlemen:—

We certify that we have audited the financial books and records of the DOMINION TEXTILE COMPANY, LIMITED, for the year ended March 31st, 1925, and that we have obtained all the information and explanations required by us.

In our opinion the above Balance Sheet and Relative Profit and Loss Statement are properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the books of the Company.

(Signed) P. S. ROSS & SONS, Chartered Accountants, Auditors.
Montreal, May 9th, 1925.

Profit and Loss Account for Twelve Months Ended 31st March, 1925

March 31st, 1925—Interest on Bonds, Rentals, etc.	$ 637,812.53
Dividend—Preferred Stock	135,842.00
" —Common Stock	900,000.00
Balance at Credit	5,665,017.16
	$7,338,671.69
March 31st, 1924—Balance at Credit	$5,390,002.90
March 31st, 1925—Manufacturing Profit	1,684,908.90
" " " Interest on Investments	263,759.89
	$7,338,671.69

C. B. GORDON, } Directors.
F. G. DANIELS, }

Audited and Verified,
P. S. ROSS & SONS,
Chartered Accountants.
Montreal, May 9th, 1925.

DIVIDEND INCREASE FOR TUCKETTS TALKED

Company's Position Steadily Improved Since Tobacco Corp. Merger

Increased dividends on Tuckett Tobacco stock are being mooted. It is understood that the greatly enlarged scope of the company's business as a result of the acquisition of the business of the Tobacco Products Corporation makes this possible. The common dividend is now 4 per cent. annually. Tucketts is in a strong liquid position, and there has been much gossip for a few years past of the possibility of a bonus of some kind to shareholders that would help to distribute the large holdings of Victory bonds that the company has. It is understood that the consolidation of Tucketts and Tobacco Products business has worked out well. It has added largely to the lines Tucketts manufactures and distributes.

The forthcoming annual report for the fiscal year ended March 31, is expected to show at least nine per cent. on the common stock. This compares with 8.85 per cent. a year ago.

Average annual net profits over a period of ten years were $224,935, representing 11.25 per cent. on the preferred and 3.40 per cent. on the common, but for the past five years the annual average of the common was 5.23 per cent. On March 31, 1923, net assets applicable to the common, not including goodwill, etc., included in property account and not separately reported, amounted to $3,141,178, or $125.65 per share of $100 per value.

Tobacco Products Corporation, which has a large interest in Tucketts, was incorporated in the State of Virginia in 1912, and was an amalgamation of eleven concerns in almost as many different states. Some idea of the breadth of its operations may be gained from the fact that it has factories and depots located in New York, Richmond, Philadelphia, Cairo (Egypt), Athens, Smyrna, Cavalla and Samsoun. The company in 1921 earned $28.86 per share on its preferred, of which there is $8,000,000 outstanding and $8.45 per share on the common, of which there are $2,600,000 outstanding. The bonded debt is $4,000,000. A dividend of 7 per cent. on the preferred and $6 a share on the common is paid.

EATON'S THE FIFTH BIG BUYING POWER

And Will Be Larger Than Ever, as Firm Expands in Many Centres in Canada

T. Eaton Company are expanding in many parts of Canada. Dry Goods Review remarks that: "It is significant that the Eaton Company are spreading out in Western Canada, not only at the present time in dry goods or any department other than groceries; but it is anticipated that later on they will expand in other centres besides Winnipeg. They have opened a groceteria in Calgary and are contemplating others in Edmonton and Regina. It is said that these plans for Western Canada are also to forestall the big Chicago mail order house which last year secured a chain of department stores in the United States as well.

"It has been stated, too, that the Eaton buying power is fifth greatest on the continent, exceeded only by Woolworth, Sears-Roebuck, Montgomery Ward and another. Figures have been worked out by someone to the effect that the business of Sears-Roebuck amounts to $3 per capita for every man, woman and child in the United States, whereas the Eaton business works out at about $15 per capita in Canada. This would make the business of the former around $300,000,000 and that of the latter around $135,000,000. Now that they have the Goodwin's store in Montreal, their buying power will naturally increase."

RAILWAY EARNINGS

Canadian Pacific Railways

Week end.	1925	1924	Change
May 14	$2.791,000	$3,087,000—	$296,000

Canadian National Railways

Week end.	1925	1924	Change
May 14	$4,133,287	$4,323,346—	$190,059
Jan. 1 to May 14	$77,530,384	$84,328,211—	$6,797,827

SMITH-PROVINCIAL MERGER IS GOSSIP

But There is no Official Information to Confirm That Negotiations Are On

Strength in the market for the securities of Howard Smith Paper Mills and Provincial Paper Mills has been accompanied by a revival of the report that there is a merger impending between these companies. While the rumors are more definite than they have been in the past nothing can be obtained officially to indicate that they are well founded. It is explained that improvement in the affairs of each company warrants the higher value being placed on the securities by investors.

Provincial Paper common has advanced from 95 to 110 in the past week and Howard Smith from around 25 to 40 and better since the first of May, and the preferred from around 80 to a high of 104 in the same period.

The amalgamation of these two paper companies would be quite practical and effective from the industrial and financial standpoint.

The Howard Smith Co. owns the Toronto Paper Co., and has two plants outside of Montreal and one at Cornwall. It also owns the Kinlieth plant at St. Catharines, now closed down, and a sawmill at the Gaspe Timber limits. Provincial's properties include mills at Mille Roche, Thorold, Georgetown and Port Arthur.

Both companies manufacture book and writing papers. The Smith Co. has a daily output of 30 tons of groundwood, 60 tons of sulphite pulp, 60 tons of writing, 15 tons of book, 15 tons of blotting and 5 tons of covers. Provincial mills have an aggregate of about 100 tons of varied papers, 60 tons of sulphite and 15 to 20 tons of groundwood per day. It controls by lease 1,224 square miles of timber limits on the north shore of Lake Superior, while the Smith Co. limits in Gaspe comprise 500 square miles.

The last report of Provincial mills shows common stock outstanding $3,500,000 and preferred $1,700,000 with bonds less sinking fund of $1,425,000 and total assets between $9,000,000 and $10,000,000. The Smith Co. has $1,500,000 of preferred and about $3,400,000 of common stock outstanding in addition to $4,500,000 of bonds while assets total nearly $12,000,000.

VOTING TRUST FOR ASBESTOS MERGER

Will Prove a Valuable Work for Province of Quebec

From Our Own Correspondent.

MONTREAL.—During the week, the elimination of the voting trust trouble, which caused a holdup in the asbestos merger situation, has been removed. All signs and portends now point the way for an official announcement of the completion of the deal early next week.

The idea of the voting trust is said to have originated with the Asbestos Corporation which wished to insure, as far as lay within its power, the future of the amalgamation. For this reason, it is understood that the corporation desired to have the control of the new company for a number of years in order to prevent stock manipulation or bad management. Others in the deal, notably the Consolidated Asbestos Company, felt that as they were going into the merger they should have some word in its management. For several days negotiations were held up, but a solution was finally arrived at.

The control of the new company, for a term of five years, will be vested in a board composed of three members who will not be eligible to sit on the board of directors of the amalgamation. This board of three makes up the voting trust and will probably meet once a year, and, as they will control the majority of votes in the new company will elect the board of directors annually. These three men will be responsible to the shareholders. They will see that the company obtains an efficient management—but they will not be able to elect themselves to the board of directors.

The membership of this voting trust will be composed of one member appointed by Dillon, Read and Company and two others to be nominated by the Asbestos Corporation. The nominees of the Asbestos Corporation, of course, will not be members of the present administration, but are to be two prominent Montreal business men.

PACIFIC BURT WORKS INTO GOOD POSITION

Operating Profit for Past Year is Slightly Lower

Pacific Burt, for the year ending March 31, 1925, had an operating profit of $197,161.44, as compared with $225,866.83 for the previous year. Net profits for the year before providing for federal taxes amount to $114,369.20, as compared with $149,492.66 for the previous year. The surplus carried forward, subject to federal taxes, amounts to $206,537.76, as compared with $197,748.20 at the close of last year. The total assets of the company are listed as 2,386,237.71, as compared with $2,319,062.25 on March 31, 1924.

President S. J. Moore sums up the year's operations as follows: "The less favorable business conditions on the Pacific Coast, referred to in last year's report, continued throughout the year. We were able to maintain our volume of business, but in order to do so it was necessary to extend our sales effort at considerable increased cost. At the same time expenditures were made in developing a new line of product, which promises to yield excellent returns.

"Liberal provisions have been made for depreciation of plant and equipment and for amortization of patents. The company's factories have been maintained in first class condition and their efficiency increased during the year.

"Out of the year's profits the sum of $2,532.73 has been contributed under authority of By-law No. 9 to assist members of the factory organization to purchase shares in the capital stock of the company. The stock purchase plan is working to the mutual benefit of the employees and the company."

THE
Bank of Nova Scotia

Dividend No. 222

Notice is hereby given that a Dividend of Four per cent. on the paid-up Capital Stock of this Bank has been declared for the quarter ending June 30, 1925, and that the same will be payable on and after Thursday, the second day of July next, at any of the offices of the Bank in Canada.

The Stock Transfer Book will be closed from the 16th to the 30th proximo, inclusive.

By order of the Board,
J. A. McLEOD,
General Manager.
Halifax, N.S., May 19th, 1925.

Barcelona Traction, Light & Power Company, Limited

Incorporated Under the Laws of the Dominion of Canada.

To the Holders of the 7% Prior Lien "A" Bonds

Notice is hereby given that the Coupon No. 20 in respect of the interest due and payable on the 1st June, 1925, on the 7 per cent. Prior Lien "A" Bonds (Sterling Issue) of the company, will be paid on or after the 1st June, 1925, at the Bank of Scotland, 30 Bishopsgate, London, England, and at The Canadian Bank of Commerce, 25 King Street West, Toronto. Payments will be made in Toronto in Canadian currency at the current rate of exchange for the day upon which such coupons are presented for payment.

Dated this 22nd day of May, 1925.
For BARCELONA TRACTION, LIGHT & POWER COMPANY, LIMITED.
R. H. MERRY.
Secretary.

Barcelona Traction, Light & Power Company, Limited

(Incorporated Under the Laws of Canada)

5½% First Mortgage Bonds

Notice is hereby given that the half-yearly interest on the 5½% First Mortgage Bonds of the Company, payable in pesetas, and due 1st June, 1925, will be paid on and after such date at the offices of Messrs. Arnus-Gari, 9 Paseo de Gracia, Barcelona, Spain, against production of Coupon No. 27 in the new form.

Bondholders have the option of collecting the above peseta interest at the Canadian Bank of Commerce, 25 King Street West, Toronto in Canadian currency, at the current rate of exchange between Madrid and Toronto for the day upon which such coupons are presented for payment.

Bondholders who have not lodged their bonds for the purpose of having printed thereon a memorandum of the resolutions passed at the bondholders' meeting held on the 25th June, 1924, and of the Supplemental Trust Deeds executed in accordance therewith, and for the purpose of having new coupon sheets attached, should do so without delay, as the above interest will only be paid against the presentation of the new form of coupon.

Dated this 22nd day of May, 1925.
For BARCELONA TRACTION, LIGHT & POWER COMPANY, LIMITED.
R. H. MERRY, Secretary.

The Sherwin-Williams Company, of Canada, Limited

Notice is hereby given that the fifty-sixth quarterly dividend of one and three-quarters per cent. (1¾%), being at the rate of seven per cent. (7%) per annum, for the quarter ending May 31st, 1925, on the Preferred Stock of the Company has been declared payable to shareholders of record the fifteenth day of June, 1925, and that cheques will be mailed on the thirtieth day of June, 1925.

Books not closed.
By order of the Board.
D. A. WHITTAKER,
Secretary-Treasurer.
Montreal, Que., May 15th, 1925.

The Sherwin-Williams Company, of Canada, Limited

Notice is hereby given that the nineteenth quarterly dividend of one and one-half per cent. (1½%), for the quarter ending May 31st, 1925, upon the Common Stock of this Company has been declared payable to shareholders of record the fifteenth day of June, 1925, and that cheques for same will be mailed on the thirtieth day of June, 1925.

Books not closed.
By order of the Board.
D. A. WHITTAKER,
Secretary-Treasurer.
Montreal, Que., May 15th, 1925.

The Canada Landed and National Investment Company, Limited

Dividend No. 153

Notice is hereby given that a DIVIDEND OF TWO AND ONE-HALF PER CENT. (being at the rate of ten per cent. per annum) on the amount paid up on the Capital Stock of this Company, has been declared for the quarter-year to the thirtieth day of June, 1925, and that the same will be payable at the office of the Company, 23 Toronto Street, Toronto, on and after the 2nd day of July, 1925, to Shareholders of record at the close of business on the fifteenth day of June, 1925.

By Order of the Board,
EDWARD SAUNDERS,
Managing Director.
Toronto, May 20th, 1925.

Bank of Montreal

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid-up Capital Stock of this institution has been declared for the current quarter, payable on and after Monday, the FIRST day of JUNE next, to Shareholders of record of 30th April, 1925.

By order of the Board.
FREDERICK WILLIAMS-TAYLOR,
General Manager.
Montreal, 24th April, 1925.

The Canadian Bank of Commerce

Dividend No. 153

Notice is hereby given that a dividend of Three per cent., upon the capital stock of this Bank, has been declared for the quarter ending 31st May, 1925, and that the same will be payable at the Bank and its Branches on and after Monday, 1st June next.

The Transfer Books of the Bank will be closed from the 17th May to 31st May next, both days inclusive.

By order of the Board.
JOHN AIRD,
General Manager.
Toronto, 17th April, 1925.

The Bank of Toronto

Dividend No. 175

Notice is hereby given that a Dividend of Three Per Cent. for the current quarter, being at the rate of Twelve Per Cent. per annum upon the Paid-Up Capital Stock of the Bank, has this day been declared, and that the same will be payable at the Bank and its branches on and after the FIRST day of June next to Shareholders of record at the close of business on the 15th day of May, 1925.

By Order of the Board.
JOHN R. LAMB,
General Manager.
The Bank of Toronto, Toronto,
April 22nd, 1925.

LAKE SHORE MINES LIMITED

(No Personal Liability)

DIVIDEND NO. 21—BONUS NO. 2

NOTICE is hereby given that a quarterly dividend of five per cent., on the issued capital stock of the Company, will be paid on the 15th day of June, 1925, together with a bonus of five per cent., to all shareholders of record at the close of business on the 1st day of June, 1925.

By order of the Board.
KIRKLAND SECURITIES,
LIMITED,
SECRETARY.

Dated at Kirkland Lake, Ontario,
May 16, 1925.

Belgo Canadian Paper Company, Limited

Common Shareholders Dividend No. 3

Notice is hereby given that a quarterly dividend of 1½% has been declared on the Common Stock of this Company, and that same will be paid on the 11th day of July, 1925, to Shareholders on record at the close of business June 30th, 1925.

By Order of the Board,
A. DEHAUFFE,
Secretary-Treasurer.
Montreal, May 14th, 1925.

Belgo Canadian Paper Company, Limited

Preferred Shareholders Dividend No. 8

Notice is hereby given that a Dividend of 1¾% for the three months ending June 30th, 1925, being at the rate of 7% per annum on the paid up Preferred Stock of this Company, has been declared and that same will be paid on the 2nd day of July, 1925, to Shareholders on record at the close of business June 12th, 1925.

By Order of the Board,
A. DEHAUFFE,
Secretary-Treasurer.
Montreal, May 14th, 1925.

Situation Wanted

A highly educated and trained young man — university graduate in Law, Commerce and Finance, with practical banking experience, speaking English, French, German and Hungarian, and at present connected with leading Central European banking institution, is desirous of emigrating to and forming a connection with a financial or industrial institution in Canada, England or South America, which would afford him good opportunities for the future.

Box 2, FINANCIAL POST,
153 University Ave., Toronto